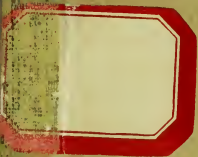


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1918

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FOREWORD

SINCE the publication of the 1917 booklet on Standard Oil Stocks, the oil industry has undergone a full year of operation under war conditions and with earnings subjected to the impost of war taxes.

It is a matter of congratulation that in anticipation of any call from the National Government or its Allies, the oil industry, as a whole, putting aside all consideration of individual profit, got together in a spirit of wholehearted co-operation and offered united support in meeting the war demands of the nation.

When it was deemed advisable by the Fuel Administrator to name an oil director to co-operate with the industry, the Government's choice fell by good fortune upon Mark L. Requa, of California, an engineer of international reputation with practical experience in oil production. Mr. Requa found an united industry ready and anxious to sink private interest for the public good; with no disposition to profit by the international necessity for petroleum products and a universal willingness to work and sacrifice to win the war. As a result governmental intrusion in the conduct of the industry has been entirely of a constructive rather than a corrective nature.

The oil director and his staff have been successful in obtaining a priority classification for oil shipments, in improving the movement of tank cars and in obtaining for oil producers an acceleration of deliveries of well drilling supplies.

The industry of itself has been entirely equal to the problem of meeting the increased demand for petroleum products of all kinds. Where domestic and export needs have not been met within the past year, the fault cannot be ascribed to a lack of supplies but to transportation difficulties, outside of the industry's control. With ample tank car facilities, refiners have experienced difficulty in getting their refined products to market, because of the shortcomings of railroad management. The export movement of petroleum products has been hampered seriously by inexperienced handling of tankship movements. But in spite of these difficulties, which the industry has regarded good naturedly, as an inevitable concomitant of conditions, created by our sudden advent into war, the oil business as a whole has been maintained upon its usual high plane of efficiency and profit.

The industry as a whole takes especial pride in the fact that despite increased costs for labor, raw material and operating equipment, it has been able to

maintain itself without unduly shifting the burden of increased operating costs upon the ultimate consumer.

Of all our great basic industries, the oil industry stands alone in its record of maintaining prices under war conditions, practically on a pre-war basis. The reason for this is first that the war did not find the industry unprepared for the necessary increase in the production and refining of crude oil. Secondly, in normal times, the shifting demand for one or more of the basic products of crude petroleum, necessitates a loading of profit on specific products to offset the loss on others. Under war time conditions with a demand for their entire output, refiners have been able to maintain a normal level of prices. As a result no suspicion of profiteering has tarnished the good name of the industry.

This universal demand for all manner of petroleum products and the necessity for capacity operation, has enabled all branches of the industry to maintain a very respectable level of net profits in spite of the heavy impost of war taxes.

Effect of War Taxes

In the refining companies of the Standard Oil group, we find for instance the following comparison of net profits available for dividends, after war taxes, compared with net profits available for dividends, in the pre-war period:

Company	1917		Net Profits	
	Net Earnings	War Taxes	After Taxes	1916 Earnings
Atlantic Rfg...	\$12,931,445	\$3,925,136	\$9,006,309	\$9,628,256
Solar Rfg. Co..	1,831,510	689,191	1,142,319	1,104,601
S. O. California	24,479,940	5,830,116	18,649,624	17,605,304
S. O. Indiana..	43,808,931	17,000,000	26,808,931	30,000,000
S. O. Kansas..	2,487,629	1,064,647	1,422,982	1,270,313
S. O. New York	39,376,043	9,375,371	30,000,672	36,638,494
S. O. Ohio.....	4,657,970	1,427,057	3,230,913	3,751,936
Vacuum Oil Co.	11,942,318	2,617,922	9,324,396	9,221,937
Totals....	\$141,515,786	\$41,929,440	\$99,586,146	\$109,220,841

The natural increase in earning power indicated here has been amply sufficient to offset the heavy impost of war taxation. It is needless to add that as these companies earn their dividends three and four times over, their dividend prospects have been in no wise impaired. As earnest of the fact the companies in this group paid \$28,966,247 in dividends out of 1917 profits, compared with dividends of \$14,338,415 in 1916.

Producing Companies

The four producing companies felt the effect of war time conditions and war taxation more heavily than any other group, although crude oil prices ruled higher than in any year since the dissolution. The combined earnings of Ohio Oil Company, Prairie Oil and Gas Company, South Penn Oil Company and Washington Oil Company in 1917 were \$29,810,260 against \$35,457,806 in 1916. These four companies paid dividends of \$22,040,000 in 1917 against \$21,080,000 in the previous year.

Pipe Line Companies

The twelve pipe line companies show 1917 earnings of \$25,572,691 compared with earnings of \$26,800,135 in 1916. Dividends paid out of 1917 earnings totalled \$24,368,280 against \$22,554,501 in 1916. The notable feature of this group has been the steady improvement in earnings of the Eastern lines, particularly the northern group, through which the heavy trunk line shipments of Oklahoma and Kansas crude oil to the eastern refineries are carried. The progress of this particular group in earning power may be illustrated as follows:

	Earnings			Dividends		
	1917	1916	1915	1917	1916	1915
Buckeye	23.8%	20.8%	15.7%	19%	16%	16%
Indiana	29.0%	26.0%	25.4%	24%	18%	16%
New York Transit	29.0%	26.7%	16.2%	20%	18%	16%
Northern	15.7%	15.0%	10.7%	14%	10%	10%

The eastern lines have shown a substantial growth in traffic over the last three years because of the increasing demand for Mid-Continent oil in the eastern refineries. In the first four months of the current year, although severe weather conditions in the producing fields interfered with gathering line business during February and March, traffic shows a further increase. This is due in large part to the order of the Shipping Board in favor of gasoline exports from the Atlantic seaboard which has necessitated a capacity movement of Mid-Continent crude to the East. This condition is reflected in the following statistics:

Buckeye Pipe Line Company

	All Receipts	All Deliveries
1918—4 months.....	10,379,045	10,501,604
1917—4 months.....	9,467,146	9,591,627
	+911,899	+910,069

Indiana Pipe Line Company		
1918—4 months.....	10,436,345	10,622,084
1917—4 months.....	12,302,921	11,096,493
	<hr/>	<hr/>
	—1,866,576	—474,409
New York Transit Company		
1918—4 months.....	5,214,898	5,479,696
1917—4 months.....	4,545,339	4,984,145
	<hr/>	<hr/>
	+669,559	+495,551
Northern Pipe Line Company		
1918—4 months.....	6,644,198	6,774,030
1917—4 months.....	4,877,374	4,901,022
	<hr/>	<hr/>
	+1,766,824	+1,873,008

In the Southern group, of Appalachian lines, Southern and Eureka may be expected to show increased traffic in 1918, inasmuch as the Vacuum Oil Company's new refinery at Paulsboro, N. J., will consume about 5,000 barrels daily, which will be supplied through these two systems. The Cumberland Pipe Line Company has shown the beneficial effects of the new developments in the Kentucky fields, but Southwest Pennsylvania Pipe Lines, the Crescent Pipe Line Company and National Transit Company lines reflect the progressive oil exhaustion of the territory which they serve.

Marketing Companies

In the group of marketing companies, Standard Oil Company of Kentucky alone furnishes a financial statement and the impressive improvement disclosed by its earning statement augurs well for the continued earning power of the other exclusively marketing organizations—Continental Oil Company and Standard Oil Company of Nebraska. Both Standard Oil Company of Kentucky and Continental Oil Company will be classed hereafter with the refining group and no doubt, if development work now under way, proves the existence of commercial oil production in Nebraska, the Standard of Nebraska will embark in the refining business.

Compounding Companies

The compounding companies—Galena Signal Oil Company, Borne Scrymser Company and the Swan and Finch Company—have distinguished themselves during the past year by producing brands of lubricants for aeroplane motors that have withstood successfully the rigorous tests of the United States Government. The Swan and Finch Company in fact has

been supplying the entire requirements of one of our Allies for a year past in aeroplane lubricants. With the current year, the Galena Signal Oil Company becomes the Galena Oil Company and will cease to be a compounding company exclusively by reason of its program of expansion which will give it a prominent place in the producing and refining activities of the Gulf Coast.

Growth of Capitalization

The continued policy of these segregated companies in putting back surplus profits into business expansion, has resulted in an impressive series of capital adjustments since the dissolution.

This is shown in the following table:

COMPANY	Subscription			
	Stock Dividends Declared	Rights H'd'gs at par	Old Capitalization	New Capitalization
1912				
Standard Oil of California		80%	\$25,000,000	\$45,000,000
Standard Oil of Indiana..	2900%	....	1,000,000	30,000,000
Standard Oil of Nebraska.	33 1/4%	....	600,000	800,000
Swan & Finch.....	....	400%	100,000	500,000
Vacuum Oil Company....	....	500%	2,500,000	15,000,000
1913				
Anglo-American Oil Co.	100%	..	\$5,000,000	\$10,000,000
1Continental Oil Company	900%	....	300,000	3,000,000
Galena-Signal Oil Co. C'm	50%	....	8,000,000	12,000,000
Galena-Signal Oil Co. Pfd			2,000,000	2,000,000
Solar Refining Company	300%		500,000	2,000,000
South Penn Oil Company	300%	100%	2,500,000	12,500,000
Standard Oil, Kansas....	100%	....	1,000,000	2,000,000
Standard Oil, Nebraska...	25%	....	800,000	1,000,000
Standard Oil, New York...	400%	....	15,000,000	75,000,000
2Waters-Pierce Oil Co....	2625%	....	400,000	10,500,000
3Standard Oil, Kentucky.	....	200%	\$1,000,000	\$3,000,000
4Standard Oil, California..	....	10%	44,933,994	50,000,000
1915				
5Ohio Oil Company.....	133 1-3%	.....	.....	\$20,000,000
6Prairie Oil & Gas Co.....	150%	.....	.....	27,000,000
1916				
Standard Oil Co., Calif...	50%	....	\$50,000,000	\$75,000,000
7National Transit Co.....	....	....	12,727,575	6,362,500
Swan & Finch.....	....	100%	500,000	1,000,000
Chesebrough Mfg. Co...	200%	....	500,000	1,500,000
Standard Oil Co., Ohio...	100%	....	3,500,000	7,000,000
8Colonial Oil Company....	....	....	.....	.....
1917				
South Penn Oil Company.	60%	....	\$12,500,000	\$20,000,000
Standard Oil Co., Calif..	33 1-3%	....	75,000,000	100,000,000
9Ohio Oil Company.	....	....	15,000,000	60,000,000
10Standard Oil, Indiana...	....	....	30,000,000	.....
Standard Oil, Kentucky...	100%	....	3,000,000	6,000,000
Cumberland Pipe Line...	....	50%	1,000,000	1,500,000
11Continental Oil Co.....	....	....	3,000,000	12,000,000

1918

¹² Anglo-American Oil Co.	50%	\$10,000,000	\$15,000,000
¹³ Swan & Finch Company	50%	1,000,000	1,500,000
¹⁴ Galena Signal Oil, Pfd..	20%	2,000,000	8,000,000
Galena Signal Oil, Com...	20%	12,000,000	16,000,000

- 1—Continental Oil Company (of Colorado) was incorporated with \$3,000,000 capital stock to acquire the Continental Oil Company (of Iowa), having a capital stock of \$300,000, the exchange being made on the basis of ten shares for one.
- 2—Waters-Pierce Oil Company was absorbed July 25, 1913, by the Pierce Oil Corporation. The terms of exchange being \$1,250 in cash and \$2,625 in new stock.
- 3—Standard Oil Co. of Kentucky increased is authorized capital stock to \$3,000,000 by declaring a cash dividend of 200 per cent. and awarded rights to its stockholders to subscribe at par for two shares of new stock for each share of old stock. The stockholders thereupon used their cash dividend to exercise their subscription rights.
- 4—Stockholders of Standard Oil, California, met on March 16, 1914, and approved the proposition to increase the authorized capital stock from \$50,000,000 to \$100,000,000. The company will take no action on this capital increase until business conditions are thoroughly normal. However, the company on February 2, 1914, awarded the shareholders the privilege of purchasing 45,184 shares of treasury stock at par. This was equivalent to subscription rights of 10 per cent. on the outstanding stock and raised the issued capital to \$49,686,655.
- 5—Ohio Oil Company in separating its pipe lines from its producing properties, formed the Illinois Pipe Line Company, capital \$20,000,000 and, turned over its transportation properties in return for the \$20,000,000 capital stock, which was then distributed pro rata among Ohio Oil Company shareholders.
- 6—Prairie Oil & Gas Company in separating its pipe line properties formed a \$27,000,000 corporation, the Prairie Pipe Line Company, the stock of which was then distributed pro rata, in the shape of a 150 per cent. stock dividend, among Prairie Oil and Gas Company shareholders.
- 7—National Transit Company reduced its capitalization one-half by retiring 103 shares and distributing a 50 per cent. cash dividend (\$12.50), leaving the same number of shares outstanding, but reducing the par from \$25 to \$12.50.
- 8—Colonial Oil Company distributed 100 per cent (\$250,000) in liquidation.
- 9—Ohio Oil Company authorized an increase of capital to \$60,000,000 and the directors declared a 300 per cent. stock dividend by raising the par value of 600,000 shares from \$25 to \$100. The Secretary of State of Ohio refused to sanction this method and the matter is in abeyance.
- 10—Standard Oil Company of Indiana stockholders have authorized an increasing capital to \$100,000,000 but no steps have been taken to distribute the increase.
- 11—Continental Oil Company shareholders have authorized an increase to \$12,000,000, but no steps have been taken to adjust the capital.
- 12—Anglo-American Oil stockholders enjoyed "rights" to subscribe to 50 per cent. of their stock holding at 150 per cent. of par (\$7.50).

- 13—Swan & Finch stockholders on May 2, 1918, authorized a capital increase to \$2,000,000 and subscription rights at par to 50 per cent. of present holdings will be extended.
- 14—Galena Signal Oil Company stockholders on May 21, 1918, authorized an increase of preferred stock to \$10,000,000 and common stock to \$20,000,000, of which \$2,000,000 preferred and \$4,000,000 common will be paid for new properties. The \$20,000,000 stock then outstanding will enjoy the right to subscribe at par to \$4,000,000 additional preferred stock.

Dividend Payments

The progressive earning power of this group of companies is reflected not only in the growth of their capitalization but also in the increase of cash dividend disbursements and expansion of net assets. The significant record of cash dividend disbursements by years and quarters is shown in the following table:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
1918	\$26,483,747	\$25,292,752			
1917	23,097,668	26,428,252	\$22,968,751	\$27,463,252	\$98,627,875
1916	22,179,085	*30,406,454	21,980,168	24,062,168	98,627,875
1915	15,241,966	14,368,636	15,891,966	16,898,636	62,401,204
1914	17,904,636	16,426,306	14,430,636	14,931,306	63,692,884
1913	†55,652,423	15,552,096	15,213,746	21,377,096	107,795,361
1912	10,220,396	11,983,746	13,190,396	16,392,096	51,786,634

*Includes \$250,000 disbursed by Colonial Oil Company in liquidation, and \$6,363,786 disbursed by National Transit Company from accumulated assets to reduce its capital 50 per cent.

†Includes \$39,335,352 disbursed by Standard Oil Company of New Jersey from repayment of loans to former subsidiaries.

Increase in Net Investment

More striking perhaps is the growth in net assets which can be shown by taking a group of selected companies which have furnished financial statements continuously since the dissolution:

COMPANY	Net Investment	
	Dec. 31, 1912	Dec. 31, 1917
Anglo-American Oil Company.....	\$13,005,686	*\$20,996,208
Atlantic Refining Company.....	23,404,623	51,763,107
Ohio Oil Company.....	64,225,412	†80,950,749
Prairie Oil & Gas Company.....	55,217,688	†71,743,457
Solar Refining Company.....	3,512,179	4,649,118
South Penn Oil Company.....	16,408,286	26,997,129
Standard Oil Company—California.	65,129,996	114,645,688
Standard Oil Company—Indiana...	40,216,046	119,845,588
Standard Oil Company—Kansas...	2,088,479	5,361,665
Standard Oil Company—Kentucky.	3,799,252	8,356,345
Standard Oil Company—New York.	74,386,338	101,467,574
Standard Oil Company—Ohio.....	7,540,345	15,150,311
Swan and Finch Company.....	1,088,689	1,559,088
Union Tank Line.....	‡885,881	17,463,778
Vacuum Oil Company.....	29,675,276	55,184,939

*As of December 31, 1916. †After separation of pipe line properties. ‡Deficit.

These figures show the steady accumulation of equities for the shareholders in addition to the liberal dividend policy of these companies and presage a continuation in the future of the policy of progressive capital adjustments through stock dividends.

The data heretofore set forth demonstrates the ability of these companies to maintain their progressive increase in earnings in spite of the handicaps of increased costs of labor and materials and transportation difficulties, which are incident to war time conditions. In their relations with labor, these companies have been happy in anticipating the rising scale of living costs for all their employees by wage advances and bonus systems.

Future of the Industry

In looking forward to the post war period, it must be remembered that none of these companies have been called upon to make outlays for special construction. Hence there will be no necessity to write off against earnings, large sums for special investment, as will be the case with so many other industrial concerns.

The effect of peace upon the industry, will be exceedingly stimulating, as it will release a great number of tankships now in service with the allied fleets and put them into service, restoring the depleted petroleum supplies of all European and Oriental countries.

One of the outstanding effects of the world war has been the tremendous wastage of horses, which will result and already has resulted in recourse to motor tractors for tillage, as well as for general transportation. The effect of this practically will be to double the European demand for motor spirit.

The close of the war will also bring about a more general use of oil as fuel in marine transportation. A large proportion of the vessels now being rushed to completion in the ship yards of the United States and England are oil burners and the demands for liquid fuel, will bring that branch of the industry into almost equal prominence with the manufacture of gasoline. Standard Oil Company of New Jersey, Standard Oil Company of New York, Atlantic Refining Company, Vacuum Oil Company and Standard Oil Company of California, already have fortified themselves to hold dominant positions in the international fuel oil trade.

Finally the close of the war will bring about a resumption in capacity output for motor driven vehicles, motor trucks and farm tractors, as well as pleasure cars and a consequent increase of the demand for motor spirit and lubricants.

Stimulus of Automobile Industry

It seems hardly necessary to state that the expansion of the oil industry in the last five years has been the result of the enormous growth in the use of self-propelled vehicles.

This situation has been treated exhaustively by the Federal Trade Commission in its report on the "Cost of Gasolene." The Commission's investigation covered only the year 1915, but disclosed that the total horsepower of gasolene engines manufactured in the country was 11,279,143 h. p. in 1913; 13,887,331 h. p. in 1914 and 22,524,858 h. p. in 1915. Figures for 1916 and 1917 on total horsepower are not available but the result of this increase in internal combustion engines is reflected in the refinery output of gasolene.

The intimate relation between the growth of the automobile industry and the expansion of the oil industry may be summed up graphically in the following table:

	Registered Automobiles in United States	Refinery Produc- tion Gasolene (Gallons)	Crude Oil Marketed Bbls. (42 gals.)
1917.....	4,941,276	2,729,712,033	341,800,000
1916.....	3,544,952	2,058,880,596	300,767,158
1915.....	2,423,788	1,849,790,000	281,104,104
1914.....	1,508,000	1,460,037,200	265,762,535
1913.....	1,191,000	1,099,350,000	248,381,744

The increase in refinery output of gasolene between 1913 and 1917 was 1,630,362,033 gallons or 150 per cent. in the four year period. The marketed production of crude oil increased in the same time only 39 per cent.

The discrepancy was met by the introduction of pressure stills in refining practice to obtain a higher yield of gasolene, by accustoming consumers to use a lower gravity gasolene which enabled refiners to utilize a larger proportion of their naphthas for motor spirit and by the use of casinghead and absorption gasolenes.

In spite of the immense increase in gasolene consumption, refiners have been able to avoid a gasolene shortage without unduly expanding their refining plants or increasing too greatly their output of their by-products.

The gasolene problem in 1918 is discussed in an informed manner by R. D. Leonard, general manager for Domestic Sales of the Atlantic Refining Company. In a recent pamphlet on the "Relation Between Gasolene and the Growth of the Automobile Industry," he says in part:

"The subject of immediate interest in the meeting of the demand for gasolene for the year 1918, and it should be understood that any prediction or prophesy of how this will be accomplished must be based on the past experiences as revealed by the statistics of the petroleum industry, and not on any assured facts pertaining to the future. The gasolene requirements for the year 1918 must of necessity come from the crude oil produced from the earth, and from the natural or casing head gases that likewise are produced from internal or unseen regions. The only visible or definite stock of supply is the crude oil that is held in storage above ground, and it would be rather a discouraging outlook, as the normal stocks of crude oil available in storage are seldom in excess of five or six months' consumption requirements, in addition to which the gasolene in stock at refineries is seldom in excess of thirty to sixty days' requirements, if it were not for the optimistic view that the previous experiences of the petroleum industry put into the matter. The latest figures which are available indicate the stocks of crude oil and gasolene as follows:—

Crude Oil Producers' Tanks.....	120,000,000 barrels
Pipe Line—Storage.....	92,500,000 barrels
Total.....	212,500,000 barrels
Equivalent in Gasolene Approximately...	34,000,000 barrels
Gasolene in Stock at Refineries.....	6,000,000 barrels

"The experience of the past is that in addition to the regular production being used up to meet the demand for petroleum that stocks have been drawn on each year for some time past to keep up with the demand. In 1916 it is established that the crude oil in storage was drawn up to the extent of 24,000,000 barrels, and in 1917 the crude oil stocks were further reduced by approximately 24,000,000 barrels. Although the figures as stated above are not very optimistic, yet the past experience of the petroleum industry indicates that the demand has always been met, and that it is nothing unusual for both the producer and refiner to face apparent shortages and to find the medium of keeping abreast of the demand.

Refining and Yield of Gasolene

"Assuming that the production of oil in 1918 will increase in the same proportion as the production of 1917 over 1916, the problem then becomes one of comparing the estimated consumption or demand of gasolene with the possible production of gasolene from crude run by the refineries throughout the country. It is generally estimated that the 234 refineries throughout the country have a still capacity for running crude oil considerably in excess of the available production figures, so that it is generally understood there is no shortage in refinery still capacity at the present time to take care of the maximum crude oil production. From a study of the available figures it is apparent that approximately 85 per cent. of the crude oil produced in this country is run in refinery stills,

and that 15 per cent. of the crude oil produced goes direct to railroads and others for fuel purposes. A chart showing the production of crude and the gasolene yields from crude and from other sources would be about as follows:

Estimate

Production in 1918

Crude Produced and Values 1917, 14%.....(42)	388,000,000
Crude Run at Refineries 82%.....(82)	318,160,000
Yield of Gasolene.....	21 per cent
Gasolene.....(50)	56,100,000
Casing Head and Absorption.....	5,000,000
	<hr/> 61,100,000

Consumption in 1918

Domestic Autos (4,500,000).....Barrels	45,000,000
Industrial and Other....Barrels	6,100,000
Export and War.....Barrels	12,000,000
	<hr/> 63,100,000
Shortage.....Barrels	2,000,000
Stock, January 1, 1918.....Barrels	6,000,000

"Although the above figures indicate that the available gasolene from crude oil produced in the United States and the gasolene from other sources for the year 1918 is short of the actual demand, it is possible that this shortage would be made up from the stocks of gasolene available from crude oil drawn from storage, and to some slight extent from the yield of gasolene from Mexican crude, which was not included in the figures given. The problem of facing an apparent shortage is simply a repetition of the past history of the petroleum industry, and if the problem is left in the hands of the men who have been vital in the building up of the industry in the past, the supply for the year 1918 will undoubtedly be very amply met."

Position of Group in Industry

Bearing upon the position within the oil industry of the Standard Oil companies and recalling that the gasolene business is now the basic factor of the oil trade, the following excerpt from the recent gasolene report of the Federal Trade Commission is illuminating:

"On the basis of tank-wagon sales in towns having a population of 2,500 or over, estimates have been made of the relative volume of the sales of gasolene by the several Standard companies in their respective territories. As these estimates are based upon only a part of the total business, and as the Commission is not in possession of complete statistics of the so-called independents, the estimates must be taken with allowance for a small margin of error. The figures, however, are believed to be approximately the correct percentages, and indicate fairly accurately the comparative position of the several Standard companies in their respective territories. They show that the Standard companies control approximately 65 per cent. of the gasolene business throughout the United States. Although their percentage of control has declined since 1906, when testimony taken in the Standard Oil case showed them to possess approximately 85 per cent. of the business, nevertheless they still occupy a dominant position in the trade, and the aggregate volume of their business has increased.

"Moreover, a material part of the apparent decline in percentage of control by Standard companies is due to the fact that certain large companies, in which various Standard stockholders have considerable interests, are classed as 'independents' in this report. Standard stockholders owned about 30 per cent. of the stock of the Tidewater Oil Company and about 25 per cent. of the stock of the Texas Company, which are here classed as 'independent.'"

"Another company included among the 'independents' in 1915 is the Midwest Refining Company, though it is known to have operated in such a way as to have made it an ally rather than a competitor and is now reported to have come under the direct control of the Imperial Oil Company (Ltd.) of Canada, which is a Standard concern. These facts indicate that the statement that Standard companies controlled approximately 65 per cent. of the gasoline business of the United States is conservative. It does not mean that all the remaining 35 per cent. of the business was strictly competitive.

"Estimated percentages of the total quantity of gasoline sold in the several Standard marketing territories by the several Standard companies operating therein during 1915:

Territory of—	Per Cent. of Total Sales of Gasoline
Standard of New York.....	70
Atlantic Refining Company.....	70
Standard of Ohio.....	70
Continental Oil Company.....	63
Standard of New Jersey.....	60
Standard of Nebraska.....	60
Standard of Indiana.....	60
Standard of Kentucky.....	50
Standard of California.....	48
Standard of Louisiana.....	33
Magnolia Petroleum Company.....	27

"At a hearing by the Commission on June 12 and 13, 1915, representatives of the Standard Oil Company of New York, stated that 70 per cent. was approximately correct for their territory to the best of their knowledge. Representatives of the Standard of Ohio also stated that according to oil inspection records in Ohio, their company sold about 65 per cent. of the gasoline in that State, which figure is only a little less than the Commission's estimate. The Indiana percentage, it should be observed, applies to the whole territory, but in some States—as in Kansas and Iowa—the percentage was somewhat lower. Indeed, the Indiana company's volume of sales for Kansas, computed on the basis of tank-wagon sales at towns of 2,500 or over, was only 46 per cent. in 1915."

Petroleum Production and Prices

The amount of crude petroleum marketed in 1917 established a new high record according to the preliminary estimate of the United States Geological Survey. The Government figures covering petroleum consumption for the past six years are as follows:

	Bbls. 42 Gals.
1917.....	341,800,000
1916.....	300,767,158
1915.....	281,104,104
1914.....	265,762,535
1913.....	248,381,744
1912.....	237,298,340

The Geological Survey's monthly summary of field statistics gives the amount of crude oil in storage on December 31, 1917, as 120,616,240 barrels in all fields outside of California, while the latter had 32,450,465 barrels above ground, making a total of 153,066,705 barrels at the close of last year. These figures compare with 125,039,125 barrels on December 31, 1916, in all fields east of the Rocky Mountains and 44,036,190 barrels in California, making a total storage on December 31, 1916, of 169,075,415 barrels.

This withdrawal of practically 1,500,000 barrels monthly on reserve stocks, together with the necessity for stimulating production, which had begun to lag because of the scarcity and high cost both of labor and drilling materials, resulted in a steady upward movement for all grades of crude oil throughout 1917 and into 1918, when \$4 a barrel for Pennsylvania crude and \$2.25 a barrel for Mid-Continent oil established new high levels for the industry. The course of the crude oil markets for the principal grades in the last three years is shown in the following tables:

PENNSYLVANIA CRUDE

Produced in Pennsylvania, New York, West Virginia and
Southeastern Ohio

	1918		1917		1916	
	High	Low	High	Low	High	Low
January...	\$3.75	\$3.75	\$3.05	\$2.85	\$2.35	\$2.25
February...	4.00	3.75	3.05	3.05	2.40	2.35
March.....	4.00	4.00	3.05	3.05	2.60	2.40
April.....	4.00	4.00	3.10	3.05	2.60	2.60
May.....	4.00	4.00	3.10	3.10	2.60	2.60
June.....	—	—	3.10	3.10	2.60	2.60
July.....	—	—	3.10	3.10	2.60	2.50
August....	—	—	3.50	3.10	2.50	2.30
September.	—	—	3.50	3.50	2.40	2.30
October....	—	—	3.50	3.50	2.60	2.40
November.	—	—	3.50	3.50	2.60	2.60
December.	—	—	3.75	3.50	2.85	2.60

MID-CONTINENT

Produced in Oklahoma, Kansas and North Texas

	1918		1917		1916	
	High	Low	High	Low	High	Low
January...	\$2.00	\$2.00	\$1.70	\$1.40	\$1.30	\$1.20
February...	2.00	2.00	1.70	1.70	1.30	1.30
March.....	2.25	2.25	1.70	1.70	1.55	1.30
April.....	2.25	2.25	1.70	1.70	1.55	1.55
May.....	2.25	2.25	1.70	1.70	1.55	1.55
June.....	—	—	1.70	1.70	1.55	1.55
July.....	—	—	1.70	1.70	1.55	.31
August....	—	—	2.00	1.70	1.25	.90
September.	—	—	2.00	2.00	.90	.90
October...	—	—	2.00	2.00	.90	.90
November.	—	—	2.00	2.00	1.00	.90
December..	—	—	2.00	2.00	1.40	1.00

Price changes on other grades of oil are as follows:

	1918		1917		1916	
	High	Low	High	Low	High	Low
Somerset	\$2.60	\$2.55	\$2.55	\$2.20	\$2.40	\$2.05
Wooster	2.58	2.38	2.38	1.90	1.80	1.50
Lima	2.28	2.08	2.08	1.58	1.73	1.33
Illinois	2.32	2.18	2.18	1.62	1.82	1.47
Princeton	2.32	2.12	2.12	1.62	1.82	1.47
Plymouth	2.33	1.98	1.98	1.43	1.68	1.33
Indiana	2.18	1.98	1.98	1.53	1.58	1.18
Healdton	1.45	1.20	1.20	.75	.80	.40
Canada	2.68	2.43	2.43	2.08	2.13	1.73
North Texas (light)....	2.25	2.00	2.00	1.40	1.55	.90
North Texas (heavy)...	1.30	1.05	1.05	.75	.80	.40
North Louisiana (light)..	2.25	2.00	2.00	1.40	1.55	.90
North Louisiana (heavy)	1.25	1.00	1.00	.85	.90	.65
Humble	1.35	1.00	1.00	.80	1.00	.60
Jennings	1.35	1.00	1.00	.80	1.00	.45
Sour Lake	1.35	1.00	1.00	.80	1.00	.60
California (14 degrees)..	1.23	.98	.98	.73	.73	.43
California (25 degrees)..	1.32	1.07	1.07	.82	1.07	.62½
Wyoming (Elk Basin)...	1.85	1.70	1.70	1.35	1.35	.60
Wyoming (Big Muddy)...	1.50	1.20	1.20	.90	—	—

Mr. Requa in a letter to the Petroleum War Service Committee, dated May 17, 1918, said the Government's disposition was to favor existing crude oil prices as maximums and to discourage further advances or bonuses. This was received favorably as a stabilizing factor.

Gasolene Prices

Conforming to the changes in the crude oil markets, the price of gasolene advanced until a maximum price of 24 cents wholesale was reached in the New York market in March, 1916. There was a recession from this figure to 22 cents and then a rise back to 24 cents in March, 1917, at which price the local market has remained stationary for more than a year. In the Mid-Continent region prices advanced steadily throughout 1917 and one price advance in April, 1918, brought the wholesale price to 22½ cents a gallon Chicago basis. The movements of the gasolene markets at New York and Boston, are shown as follows:

NEW YORK GASOLENE PRICES (Garage Basis)

	1918		1917		1916	
	High	Low	High	Low	High	Low
January...	\$.24	\$.24	\$.23	\$.22	\$.22	\$.21
February..	.24	.24	.23	.23	.23	.22
March.....	.24	.24	.24	.24	.24	.23
April.....	.24	.24	.24	.24	.24	.24
May.....	.24	.24	.24	.24	.24	.24
June.....	—	—	.24	.24	.24	.24
July.....	—	—	.24	.24	.24	.24
August....	—	—	.24	.24	.24	.23
September.	—	—	—	—	.23	.22
October....	—	—	.24	.24	.22	.22
November.	—	—	.24	.24	.22	.22
December.	—	—	.24	.24	.22	.22

CHICAGO GASOLENE PRICES (Tank Wagon Basis)

	1918		1917		1916	
	High	Low	High	Low	High	Low
January....	\$.21	\$.21	\$.19	\$.17½	\$.17½	\$.16½
February...	.21	.21	.19	.19	.17½	.17½
March.....	.21	.21	.19	.19	.18½	.17½
April.....	.22½	.21	.20	.19	.18½	.18½
May.....	—	—	.20	.20	.18½	.18½
June.....	—	—	.20	.20	.18½	.18½
July.....	—	—	.20	.20	.18½	.18½
August.....	—	—	.21	.20	.18½	.17½
September..	—	—	.21	.21	.17½	.16½
October.....	—	—	.21	.21	.16½	.15½
November..	—	—	.21	.21	.15½	.15½
December...	—	—	.21	.21	.17½	.15½

Refining Statistics

The output of petroleum refineries in the United States for 1917, as compiled by the Bureau of Mines, Department of Interior, shows an impressive growth over previous years as follows:

	1917	1916	1914
Crude Run (bbls.)...	301,319,318	246,992,015	191,262,724
Oils Purchased & Re-run (bbls.).....	14,897,670	.....	.....
Gasolene (gallons)...	2,729,712,033	2,058,880,596	1,460,037,200
Kerosene (gallons)..	1,602,015,103	1,455,495,732	1,935,274,800
Gas and Fuel (gals.)	6,288,430,581	4,663,895,284	3,733,491,050
Lubricants (gallons)	721,644,821	624,541,195	517,426,050
Wax (pounds).....	441,107,964	386,180,898	.....
Coke (tons).....	484,180	405,319	.....
Asphaltum (gallons)	690,279	716,490	465,157
Residuals (gallons)..	663,149,870	239,244,468	148,850,750
Loss (barrels)	12,273,850	10,008,517	.....
Daily Average—Crude Runs (barrels)...	837,211	674,842	524,000

Stocks on Hand at Refineries

	Dec. 31, 1917	Sept. 30, 1917	Dec. 31, 1916
Crude Oil (barrels).	11,638,433	10,925,892	20,370,414
Gasolene (gallons)..	412,256,833	287,758,562	326,884,127
Kerosene (gallons)..	497,750,082	508,461,071	476,913,989
Gas and Fuel (gals.)	577,899,112	633,216,982	720,560,199

The figures indicate that the amount of raw materials consumed in the industry increased from 191,262,724 barrels in 1914 to 246,992,015 barrels in 1916, and 301,319,318 barrels in 1917. This increase in 1917 is equal to 57½ per cent. over 1914 and approximately 22 per cent. over the year 1916. In 1917 refinery consumption of crude oil averaged 837,211 daily. In 1909, the daily average was 330,891 barrels. The amount of crude oil stored at refineries at the close of 1917 which had decreased 8,731,981 barrels, equal to 42.86 per cent. of the amount in storage at the close of 1916.

Gasolene production in 1917 showed an increase of 670,831,437 gallons over 1916 production and 1,269,-

674,833 gallons over 1914 production, the latter increase being equal to 87 per cent. Stocks of gasoline on hand at the refineries decreased from 326,884,127 gallons at December 31, 1916, to 287,758,562 gallons at September 30, 1917, and then showed a rapid increase to 412,256,833 gallons at the close of 1917.

Of the refined products, fuel oil and gas oil showed the largest gain in output, the increase being equal to 35 per cent. over 1916 and 69 per cent. over 1914. The small increase in the amount of kerosene produced reflects the improvement in refinery methods to increase the yield of gasoline.

The number of refining plants in operation throughout 1917 was 234, with 75 in process of construction. This compares with 176 refining plants in 1914 and 124 plants in 1909.

Growth of Transportation Equipment

Coincidentally there has been a parallel expansion in the means for transporting refined products. The number of tank cars in use rose from 24,701 in 1913 to 44,208 in 1915 and 69,514 at the close of 1917. Oil tankships under American registry have increased from 60 vessels of 416,000 tons deadweight in 1914 to 170 vessels of 1,180,000 tons deadweight capacity at the close of 1917.

The Export Trade

The expansion of the country's mineral oil export trade during the last six calendar years is shown in the following table:

	Gallons	Values
1917.....	2,645,362,368	\$253,027,075
1916.....	2,607,482,366	201,721,291
1915.....	2,328,725,749	142,941,669
1915.....	2,329,575,617	142,972,322
1914.....	2,240,031,235	139,900,587
1913.....	2,136,565,721	149,316,409
1912.....	1,883,479,897	124,210,382

Changes in the character of the export trade during the last six years is shown in the following table of relations of the different grades to the general totals by percentage:

	Illuminating Oil		Gasolene, Naphthas, Etc.		Lubricating Oil	
	Volume	Value	Volume	Value	Volume	Value
1917.....	24.67	19.19	15.73	36.82	10.62	22.77
1915.....	36.10	35.31	12.90	22.70	12.90	22.70
1914.....	45.34	46.21	8.58	18.73	8.58	18.73
1913.....	53.08	49.12	9.77	19.98	8.05	17.75
1912.....	54.48	49.98	9.99	16.47	11.49	22.78

	Gas and Fuel		Crude Oil	
	Oil-Residuum		Volume	Value
	Volume	Value		
1917.....	42.50	18.20	6.47	3.02
1916.....	36.97	13.46	6.60	3.48
1915.....	30.57	15.57	6.70	3.00
1914.....	31.40	13.74	5.57	3.55
1913.....	20.00	7.45	9.10	5.70
1912.....	14.14	5.31	10.02	5.15

The American Oil Fleet

One year after the outbreak of the world war there were 454 tankships in commission, of which three-fourths were under American and British registry. More than a dozen tankships have been sunk by submarines, but two tankships have been launched in American ship yards for every tanker sunk and at September 1, 1917, there were more than forty tankships under construction in this country.

At the end of the year 1914 the tank steamers under American registry numbered about eighty (exclusive of barges) of 278,837 gross tons and approximately 416,000 tons deadweight, which at the time represented only about 10 per cent. of the total steel tonnage of the United States, excluding the Great Lakes and sailing vessels.

Since the beginning of 1915 there have been built in this country 57 tankers (exclusive of barges) of 371,900 gross tons and 519,200 tons deadweight, thus more than doubling the American tank steamer tonnage. It will also be noted that the average tonnage of the individual vessels shows a great increase over that of the vessels previously built.

In addition to the extensive building program carried on, a marked addition to the American tanker fleet was made under the provisions of the Panama Canal Act of August 18, 1914, by means of which forty foreign built tankers, aggregating over 190,000 gross tons or 285,000 tons deadweight, have been transferred to American registry.

The total number of American tankers now in service is therefore about 170, having a total gross tonnage of 823,200 and a total deadweight carrying capacity of 1,180,000 tons. Thus it will be seen that during the recent period of activity the number of tankships has been increased 112 per cent., the gross tonnage increased 185 per cent. and the total deadweight tonnage increased 185 per cent. Not only is this the case, but it is also found that the tank steamer tonnage is now close to 20 per cent. of the total steel American tonnage (exclusive of the Lakes), as

against 10 per cent. at the beginning of 1915, this indicating that the greatest of the recent progress in shipbuilding has been in the construction of tankers and that the growth of the oil industry has demanded for them a prominent part in our shipbuilding program.

In addition to this impressive fleet of tankers, we now have under construction in the United States a total of sixty-four tank vessels, representing 496,680 gross tons and 575,750 tons deadweight, marking the greatest shipbuilding activity in the history of the country.

ANGLO-AMERICAN OIL COMPANY, Ltd.

The Anglo-American Oil Company, Ltd., was incorporated in England in 1888 and from that time down to 1911 was the sole distributor of Standard Oil Company's products in Great Britain and Ireland. The Standard Oil Company of New Jersey at that time owned all the shares. In 1911 the United States Supreme Court ordered a dissolution of the Standard Oil Company of New Jersey, and as a result the shares of the Anglo-American Oil Company, Ltd., were distributed as a dividend to the shareholders of the Standard Oil Company of New Jersey, share for share.

Capital Stock—The capital is £3,000,000 sterling in share warrants to the bearer of the par value of £1 each. The capital was increased from £1,000,000 to £2,000,000 by a 100% stock dividend distributed November 26, 1913. One million additional shares were offered for subscription at \$7.50 (150% of par) between February 14 and February 28, 1918, shareholders thus enjoying "rights" to the extent of 50% of their holdings.

Shareholders in the United Kingdom received scrip certificates entitling them to subscribe to the new shares at £1:11:6 at the conclusion of the war, dividends on these reserved shares to be impounded meanwhile for the benefit of the British subscribers.

Dividends—The company has paid dividends semi-annually since the dissolution as follows:—

1918—Feb 28	50%	"Rights"	1914—Jul 2	10%	\$973,330
Jan 15	15%	\$1,425,000	Jan 15	10%	973,330
1917—Jul 16	15%	1,425,000	1913—Nov 26	100%	Stk. Div.
Jan 15	10%	950,000	Jul 15	10%	486,660
1916—Jul 15	10%	950,000	Jan 15	15%	729,990
Jan 15	10%	945,000	1912—Jul 15	10%	486,660
1915—Jul 1	10%	960,000	Apr 15	10%	486,660
Jan 2	10%	973,330			

Total cash dividends since dissolution (to June 1, 1918)
\$11,764,960.

Note—Changes in total amounts are due to variations in rate of exchange on London.

Business—The company is the largest and most important petroleum company operating in the United Kingdom. Its sales include refined oil, gasoline, lubricating oil, gas and fuel oils and paraffin wax. The large and increasing demands for some of its products, notably gasoline and fuel oils, have required an extension of its plants and facilities and particularly the number of ocean-going tankers for transportation of its various products from the producing countries.

Plant and Equipment—The company owns all its large ocean receiving stations with facilities for storing full cargoes from ocean tankers and in addition owns and operates over 660 interior distributing stations in Great Britain and Ireland for the sale and distribution of its various products. It also owns over 1,200 railway tank wagons and a large and growing fleet of motor propelled vehicles for road transportation.

For handling the trade on the interior waterways it owns and operates over 50 barges and tugs and for coastwise trade employs its own fleet of cargo and tank steamers trading to every important port in the Kingdom.

The largest single investment is comprised in the fleet of ocean-going tank steamers, which has always included some

of the largest tankers afloat. Since the inception of the war the company has added about 100,000 tons to its ocean fleet which now comprises the following vessels:—

S.S. "Appalachee"	S.S. "Iroquois"	S.S. "Suwanee"
" "Ashtabula"	" "Lackawanna"	" "Strathfillan"
" "Cheyenne"	" "Luffwell"	" "Silvertown"
" "Cuyahoga"	" "Luffworth"	" "Tioga"
" "Cadallac"	" "Narragansett"	" "Tonawanda"
" "Calcutta"	" "Navahoe"	" "Tuscarora"
" "Delaware"	" "Oneida"	" "Tamarac"
" "Dakotah"	" "Osceola"	" "Winnibago"
" "Earl of Elgin"	" "Ottawa"	" "Westward Ho"
" "Genesee"	" "Potomac"	

During the period of the war a number of these ships are in the Admiralty service.

The total oil carrying capacity of this large fleet is over 175,000 tons.

The predominating position of this company in the marketing field is evidenced by the preponderance of its imports of various classes of oils. Outside of fuel oil for Admiralty use, Great Britain imports upwards of 600,000,000 gallons of petroleum products annually, of which the Anglo-American Oil Company handles between 55 and 60 per cent.

Earnings—The company furnished its first official Earnings Statement in its financial report for 1916 (issued in October, 1917). Figures are converted into U. S. currency on the normal basis of \$4.86 2-3 as follows:—

Profits from Operations.....	\$5,464,417
Deductions:—	
Depre. on Steamships, Plants, etc...	\$1,375,692
Interest and Exchange.....	63,131
Income Tax	1,082,192
	<u>2,521,015.</u>

Available for Dividends..... \$2,943,402

Earnings available for dividends after the heavy British war taxes were approximately 31%, which compares with indicated earnings of 32% in 1915 and average earnings of 44½% in the two years prior to the imposition of war taxes. In considering the company's war time earnings, consideration must be given to the fact that during the year under review, allowances exceeding \$250,000 were made to 1,242 employees serving with the colors.

The expansion of the company's business in spite of the handicap of war time conditions in England is shown in the comparative balance sheets for the years ending December 31, 1916, 1915 and 1914:—

Assets:	1916	1915	1914
Freehold at Cost.....	\$629,176.17	\$614,785	\$572,988
Constr'n & Equipm't	3,229,078.15	2,639,654	2,168,670
Marine Equipment.....	6,184,858.30	4,063,480	3,314,484
Accts. Receivable.....	9,607,575.01	8,709,391	5,803,903
Merchandise Inventory.	12,879,987.21	7,383,970	5,397,787
Investments, at Cost...	2,418,776.13	918,404	919,013
Cash	260,333.51	2,238,355	3,757,703
Total Assets.....	\$35,209,784.48	\$27,023,039	\$21,934,548

Liabilities:			
Capital	\$9,732,000.00	\$9,732,000	\$9,732,000
Accounts Payable.....	13,182,729.33	6,091,353	3,454,553
Div. Decl'd and Unpaid	1,032,178.60	1,029,090	.....
Reserve Account.....	5,601,809.36	10,170,596	8,747,995
Surplus	5,661,067.19		
Total Liabilities....	\$35,209,784.48	\$27,023,039	\$21,934,548

In their report to shareholders, the Directors stated:

"It will be noted that the investment in steamships has been considerably increased. This expenditure has been necessitated in consequence of the Government having requisitioned a large proportion of your vessels. Part of the requisitioned tonnage was replaced by chartering other vessels, but the rates of freight demanded were so exorbitant that your directors considered it advisable to purchase additional steamers, where possible, and they feel that this expenditure will be well repaid.

"It will be noted also that the Inventory figures and the Accounts Receivable are both considerably higher than last year. This has been caused partially by slightly increased stocks, but mainly by the increased cost of goods purchased, and the higher freight thereon, resulting in higher values of sales.

"Since our last general meeting many additional members of the staff have joined the forces, and the total number since the commencement of the war now amounts to 1,945 and of this number 1,242 are receiving allowances amounting at the present time to about £48,000 per annum."

The steady expansion of the company since the dissolution is illustrated by the following analysis of its financial statements:—

	Marine Equipment	Marketing Equipment	Net Quick Assets	Surplus and Reserves
1916.....	\$6,184,858	\$3,858,154	\$10,952,764	\$11,262,876
1915.....	4,063,480	3,254,439	12,129,677	10,170,596
1914.....	3,314,484	2,741,658	12,423,853	8,747,995
1913.....	3,102,406	2,351,448	12,145,658	*7,867,532
1912.....	2,624,697	1,890,733	8,490,090	8,139,020

*After declaration of 100% stock dividend.

This table in connection with the heavy increase in the company's inventory account as the war progressed reflects the necessity under which it labored to increase its plant and this in turn caused a shortage of cash, which was remedied by extending the shareholders subscription rights at 150% of par. As less than 100,000 shares are held in Great Britain, the exercise of these subscription rights has brought the company nearly \$7,000,000 in new money. This undoubtedly has placed the company in an easy cash position and will enable it to augment its fleet and its other facilities for keeping up with its continually expanding business. This large accession of new capital should give a strong impulse to an already large earning power.

Officers—F. E. Powell, Chairman.

James Hamilton, Vice-Chairman.

A. H. Hewett, Secretary.

Directors—The above mentioned officers and in addition:
W. P. MacKendrick.

Transfer Office—36-38 Queen Anne's Gate, London, S. W., England.

Fiscal Agents—Guaranty Trust Co., 140 Broadway, New York, U. S. A.

Annual Meeting—Last week in June.

ATLANTIC REFINING COMPANY

The Atlantic Refining Company was incorporated under the laws of Pennsylvania in 1870.

Capital Stock—The capital stock is \$5,000,000; having been increased from \$400,000 in 1892. Par value, \$100.

Dividends—At the time of the dissolution the company had outstanding Notes Payable of \$4,216,871 as of December 31, 1911. Until this indebtedness was liquidated, the company refrained from paying dividends, which were not inaugurated until December 15, 1914. The dividend record since that date has been as follows:—

1918—Jun 15	5%	\$250,000	1916—Jun 15	5%	\$250,000
Mar 15	5%	250,000	Mar 15	5%	250,000
1917—Dec 15	5%	250,000	1915—Dec 15	5%	250,000
Sep 15	5%	250,000	Sep 15	5%	250,000
Jun 15	5%	250,000	Jun 15	5%	250,000
Mar 15	5%	250,000	Mar 15	5%	250,000
1916—Dec 15	5%	250,000	1914—Dec 15	5%	250,000
Sep 15	5%	250,000			

Total Dividends since Dissolution..... \$3,750,000

Business—The company originally confined itself to the refining and marketing of oils, specializing in lubricants, of which it is the world's largest manufacturer. During 1916, however, the company decided to include producing and transporting to its activities and formed the Atlantic Oil Producing Company and the Atlantic Oil Shipping Company, which are described hereinafter.

The company makes every known product from crude oil and is in the asphalt and road oil business extensively. The company also maintains an extensive marketing system for distributing its products throughout Pennsylvania, Delaware and New England, which employs more than 200 motor trucks, a number of horse drawn vehicles and barges, tug-boats and other types of water craft for transporting petroleum products over inland waterways. Since 1915, the company's domestic gasoline sales have been running above 5,000,000 gallons monthly.

The company also carries on a very heavy export business in gasoline, lubricants and gas oil. Its overseas trade is so large as to constitute 25 per cent. of the clearance from the port of Philadelphia.

Refineries of the company are located at Point Breeze, near Philadelphia; at Pittsburgh, Penna., and the Eclipse Works at Franklin, Pa. These refineries have an estimated capacity of nearly 50,000 barrels per day, distributed as follows: Philadelphia, 37,500 barrels; Franklin, 8,000 barrels, and Pittsburgh, 3,000 barrels. The plant at Point Breeze covers about 750 acres, including river frontage of 2 miles on both sides of the Schuylkill River, and has storage capacity for about 3,000,000 barrels. The Eclipse Works at Franklin, Pa., occupies 280 acres on the Allegheny River and has storage facilities for 1,500,000 barrels. The Eclipse Plant supplies the Galena-Signal Oil Company with its entire supply of distillates for the compounding of lubricating and illuminating oils, under a ten-year contract, based on a sliding scale. The Pittsburgh plant occupies about 21 acres located on the Allegheny River, and has storage capacity for 750,000 barrels.

Earnings—Net profits from operations in 1917 were \$12,559,499 which were increased by \$371,946 through appreciation of Inventories, making total net profits for the year \$12,931,445, which establishes a new high record, equivalent to \$258.62 a share. After reserving \$3,925,136 for War Taxes or \$78.50 a share, net profits available for dividends were \$9,006,309 or \$180.12 a share, which compares with \$192.56 in 1916.

The company's record for Earnings is set forth in the following table:—

	Earnings Appreciation from of War			Dividends	Carried to Surplus
	Operations	Inventories	Taxes		
1917...	\$12,559,499	\$371,946	\$3,925,136	\$1,000,000	†\$8,006,309
1916...	9,371,258	256,998	.....	1,000,000	8,628,256
1915...	5,381,903	210,522	.....	1,000,000	4,592,425
1914...	940,740	*1,932,142	.....	250,000	*991,402
1913...	3,734,232	74,545	.....	.....	3,808,777
1912...	4,953,953	2,343,719	.....	.....	7,297,672

†Surplus was further increased in 1917 by \$2,560,889 as a result of revaluation of plant.

*Loss by depreciation of prior inventories, causing a deduction from Surplus of \$991,402.

Balance Sheets—The company's expansion in six years of independent operation is illustrated by its financial statements for 1917 and 1916 compared with its statement of December 31, 1911, just prior to the Dissolution.

Comparative Balance Sheets as of December 31st follow:—

Assets:	1917	1916	1911
Cash	\$750,995	\$873,548	\$3,102,809
Reserve Funds (for ships and new construction).	431,625	4,992,250	.....
Notes & Accts. Receiv...	\$12,169,679	\$6,890,496	\$3,232,987
Less Resv. for Bad Debts	103,615	55,664	.....
	\$12,066,064	\$6,834,832	.....
Mdse. and Materials.....	18,925,150	12,226,089	8,305,028
Plant	35,568,744	23,377,872	18,224,590
Less—Accrued Deprec....	\$10,938,524	\$10,212,981	\$7,825,838
Current Deprec....	729,747	407,767	.....
Plant after Depreciation.	\$23,900,473	\$12,757,124	\$10,398,752
Other Investments.....	979,080	652,552	.....
Employees' Liberty Bond Payments	102,433	.....	.....
Advance on Acct. of Raw Materials, etc.....	3,408,270	3,618,961	.....
Prepaid Debits.....	207,835	27,265	.....
Total Assets.....	\$60,771,927	\$41,982,622	\$25,039,576
Liabilities:			
Notes Payable . . . . .	.....	.....	\$4,216,871
Accounts Payable	\$4,861,304	\$1,969,209	4,932,242
Employees' Liberty Bond Payments	102,433	.....	.....
Insurance and Other Res.	2,219,717	1,037,221	.....
Accrued Credit Items....	119,946	.....	.....
Capital Stock	5,000,000	5,000,000	5,000,000
Tax Liability	3,925,136	.....	.....
Surplus	*44,543,390	33,976,192	10,890,463
Total Liabilities.....	\$60,771,927	\$41,982,622	\$25,039,576

*Surplus on December 31, 1917: Accumulated from Income \$45,907,637.68, to which is added \$2,560,888.81, as a result of the revaluation of plant total, \$48,468,526.49; less tax liability of \$3,925,136, leaving surplus of \$44,543,390, as shown in the Balance Sheet.

Net quick assets at the close of 1917, exclusive of the company's tax liability cash reserves and advances to subsidiary companies, were \$26,968,794, which compares with \$17,992,525 at the close of 1916 and a cash deficit of \$2,813,317 at the beginning of independent operations on January 1, 1912. The depreciated value of the company's plant investment was practically doubled during the past year, while its net cash assets showed an increase of approximately 50 per cent.

Commenting on the company's progress during the past year, the president, Mr. J. W. Van Dyke, said in his report to the stockholders:

"These figures which, owing to unusual conditions, it was impossible to prepare for your information prior to the date of the last annual meeting, set forth in the usual detail the condition of your company. A comparison of the important items with those of former statements also reflects the changing business conditions. From such comparison you will note a large increase in investment, both for merchandise and plant, and a decrease in the fund available for the latter purpose. This change is the natural effect of a larger volume of business at a higher price level, as indicated by a 23 per cent. increase in crude oils consumed and a 43 per cent. increase in sales values as compared with 1916. At the same time Federal taxes have been increased from about \$200,000 for 1916 to about \$4,000,000 for 1917. The result has been that the profits from operations available for investment in the business have been barely sufficient to meet the demands for additional working capital.

"The transition of the country during the year from a condition of peace to a state of war has had a marked and increasing effect upon the business of your company. While in January, 1917, only about 28 per cent. of your output was used by the United States Government and the countries with which she is now allied, at the end of the year this proportion had risen to over 51 per cent., and an additional 16 per cent. was being consumed by railroads, shipyards, munition plants and other vital industries. The effort of your representatives has been to serve the Government in every way possible, and the same motive will actuate their handling of your business during the ensuing year."

Tabular analysis of the company's growth in the six years since the dissolution is as follows:

	New Plant Investment	Current Depreciation	Surplus and Reserves	Book Value
1917.....	\$12,190,872	\$729,747	*\$46,763,107	†\$1,035.26
1916.....	2,553,070	407,767	35,013,413	800.07
1915.....	724,626	677,129	26,196,860	623.93
1914.....	692,066	451,830	21,297,181	525.94
1913.....	545,850	606,686	22,380,988	547.62
1912.....	637,699	651,497	18,404,623	468.09

*Surplus was increased \$2,560,889 through revaluation of plant. †Book values include insurance and other reserves.

This indicates that out of cash profits of approximately \$37,000,000 for the six years, \$17,344,183 has been ploughed back into the property and \$3,524,656 written off for depreciation. The result of this conservative policy has been a growth of more than 100 per cent. in operating profits in the past two years. As 70 per cent. of the company's plant investment for the period has become available in the past year through the construction of its fleet, future earnings may be expected to be on a still larger scale. The company's fleet was increased by the launching of two new tankships during 1917 and two

additional ships are nearly completed and will be placed in service during 1918. At the close of 1917, orders were placed for two additional tankships which will be ready late in 1918 or early 1919. The completion of these new vessels will give the company a fleet of eight tankships with a gross tonnage of 45,000 tons.

In anticipation of the expansion of the fuel oil business, the company in addition to increasing its own production and shipping facilities in Mexico, has placed a contract for 3,000,000 barrels of Mexican crude on which deliveries will begin during the summer of 1918.

Shareholders of the company who have watched the book value of their stock increase to more than \$1000 a share without any intimation from the company of the imminence of a stock dividend, have noted that the company's volume of business has expanded to a point where more cash is desirable. Some see in this a hopeful sign, that new stock may be offered for subscription as the resultant "rights" would be very valuable indeed. Those who are impatient over the long delayed stock dividend, point out that as the company had a surplus of undivided profits of more than \$18,000,000 on December 31, 1912, it could distribute a stock dividend of 300 per cent., which would be free of all income tax under the recent ruling of the United States Supreme Court, in the Yale & Towne Income Tax litigation.

To handle its expansion in production and shipping the company has formed two subsidiaries, which may be described as follows:

ATLANTIC OIL SHIPPING COMPANY

Incorporated in Delaware in June, 1916. Capitalization, \$500,000; par value, \$100. All but qualifying shares are owned by Atlantic Refining Company.

Properties—The company owns and operates a growing fleet of tankships of the most modern pattern. During 1916, two vessels were launched and placed in operation and two additional vessels were added to the fleet during 1917. The company's fleet consists of the following:

In Operation

Vessel	Gross Tonnage
H. C. Folger.....	7,100
J. W. Van Dyke.....	7,100
J. C. Donnell.....	8,400
J. E. O'Neill.....	7,200
	<hr/> 29,800

Scheduled for 1918 Completion

No. 144	7,200
No. 148	7,200

Scheduled for 1919 Completion

Unnamed	7,450
Unnamed	7,450

	<hr/> 29,300
Grand total	59,100

In addition the company operates a number of barges, launches and tug boats for interior water traffic.

ATLANTIC OIL PRODUCTION COMPANY

Incorporated in Delaware in June, 1916. Capitalization, \$100,000; par value, \$100. All but qualifying shares are owned by the Atlantic Refining Company.

Properties—The company has purchased a controlling interest in the Panuco-Boston Oil Company and has advanced that company \$100,000 to develop its properties.

The Panuco-Boston Oil Company operates a lease of 522 acres on the Panuco River, on which there are two producing wells. Well No. 1 is producing 2,200 barrels daily and its output is sold under a long time contract to the InterOcean Oil Company. Well No. 2, brought in since Atlantic Refining Company acquired its interest is good for 5,000 barrels daily. The equipment on the property consists of two 55,000-barrel tanks, one flow tank of 1,000 barrels, earthen storage, 50,000 barrels; and three-quarters mile of pipe line, pumping station, shipping wharf, drilling rigs, etc. The capitalization of the Panuco-Boston Company is \$1,000,000; par value, \$100; and \$155,000 of first mortgage bonds outstanding.

In August, 1917, the company purchased for \$1,000,000 a 52 per cent. interest in the Gulf Coast Oil Corporation, which owns an extensive acreage of proven oil lands in the Gulf Coast fields of Texas. The company also acquired by purchase \$500,000 of the Gulf Coast Oil Corporation's bonds. A 1,500 barrel well was developed on these properties in September, 1917.

The Atlantic Oil Production Company in conjunction with the Southern Oil and Transport Company completed in September, 1917, at a cost of \$500,000, an extensive storage and shipping station close to Tampico on the Panuco River.

The company has acquired extensive acreage in Kentucky and in the Gulf Coast fields and is engaged actively in developing its properties.

Officials of the Atlantic Refining Company are as follows:

Officers—President—J. W. Van Dyke.

Vice-Presidents—W. P. Cutler and W. M. Irish.

Secretary—W. D. Anderson.

Treasurer—Henry S. Mustin.

Directors—J. W. Van Dyke, W. P. Cutler, W. M. Irish, H. S. Mustin, J. W. Liberton, E. G. Glines, R. D. Leonard.

Transfer Office—3141 Passayunk Avenue, Philadelphia, Pa
Annual Meeting—First Tuesday in March.

BORNE SCRYMSER COMPANY

The Borne Scrymser Company was incorporated in 1898 under the laws of New Jersey.

Capital Stock—The capital stock is \$200,000. Par value, \$100.

Dividends—Since the dissolution, dividends have been paid as follows

1917—Oct 15	20%	\$40,000	1914—Oct 15	20%	\$40,000
1916—Oct 15	20%	40,000	1913—Oct 15	20%	40,000
1915—Oct 15	20%	40,000	1912—Dec 20	20%	40,000
Total Dividends since the dissolution..					\$240,000

Properties—The business of the company comprises principally the compounding and marketing of lubricating oils. A larger plant has been constructed during 1916 at Elizabeth-

port, N. J. The change from the former location at Clairmont, Jersey City, was made necessary by the increasing domestic and export business. The company transacts a large business in England, and has branch offices in the large cities of the United Kingdom.

The company was among the first to compound an oil for aeroplane engine lubrication that would pass the rigid test of the United States Government.

The book value of this company's stock was carried by the Standard Oil of New Jersey on December 31, 1906, at \$284,771.

During the eight year period 1899-1906, the average net profits were \$52,566, equal to 26.3 per cent. on the \$200,000 capital stock outstanding. Since the dissolution the company's profits have averaged in excess of 30 per cent. The company never has issued a financial statement.

Officers—President—O. G. Waring.

Vice President and Treasurer—A. C. Weed.

Secretary—Philip C. Meon.

Directors—The above-named officers and in addition:

G. H. Kline and Benjamin L. Armstrong.

Transfer Office—80 South Street, New York City.

Annual Meeting—Last Monday in February at Elizabethport, New Jersey.

THE BUCKEYE PIPE LINE COMPANY

The Buckeye Pipe Line Company was incorporated March 31, 1886, under the laws of Ohio.

Capital Stock—The capital stock was originally \$100,000, but this was increased to \$10,000,000 in 1890 and 1892. Par value, \$50.

Dividends—Since the dissolution, dividends have been declared as follows:

1918—Jun 15	4%	\$400,000	1914—Dec 15	4%	\$400,000
Mar 15	6%	600,000	Sep 15	4%	400,000
1917—Dec 15	7%	700,000	Jun 15	10%	1,000,000
Sep 15	4%	400,000	Mar 15	10%	1,000,000
Jun 15	4%	400,000	1913—Dec 15	10%	1,000,000
Mar 15	4%	400,000	Sep 15	10%	1,000,000
1916—Dec 15	4%	400,000	Jun 15	10%	1,000,000
Sep 15	4%	400,000	Mar 15	10%	1,000,000
Jun 15	4%	400,000	1912—Dec 15	10%	1,000,000
Mar 15	4%	400,000	Sep 15	10%	1,000,000
1915—Dec 15	4%	400,000	Jun 15	10%	1,000,000
Sep 15	4%	400,000	Mar 15	10%	1,000,000
Jun 15	4%	400,000			
Mar 15	4%	400,000			
Total Dividends since dissolution					\$16,900,000

Properties—The Buckeye Pipe Lines form a part of an extensive system, covering the entire State of Ohio. It comprises two systems, the Lima division operating in the North and the Macksburg division serving the Southeastern Ohio fields. The main trunk line in the Lima division is 295.5 miles in length, consisting of double and triple loopings of 5, 6 and 8 inch pipes. There are a thousand miles of pipe in this trunk line division and more than a thousand miles of gathering lines. Oil from the Mid-Continent field is delivered by the Indiana Pipe Line to the Buckeye system, which delivers it to the Imperial Oil Company's Canadian

pipe line at Toledo, to the Standard Oil of Ohio's Cleveland refinery or to the Northern Pipe Line at the Ohio-Pennsylvania border.

There are two 8-inch lines running from Whiting, Indiana, eastward, to Lima, Ohio, which are joined just west of the Ohio-Indiana State line by a 6-inch line extending eastward from Montpelier, Indiana. At Lima those lines deliver to the Solar Refining Company, a Standard Oil concern. Thence they extend northwest to Findlay and Cygnet, Ohio. At Cygnet, which is nearly due south of Toledo, various collecting lines from fields toward the north join the main stem. These latter lines are also connected with Toledo, where they supply crude oil to the Craig Refinery. The main pipe lines continue eastward in almost a direct line from Cygnet to Bear Creek, Penna. A branch of this line starting at Mantua, Ohio, delivers crude oil to the Cleveland refineries.

The company's earnings and dividends since the dissolution are as follows:

	Net Profits	Rate	Dividends	Surplus	Value
1917.....	\$2,380,083	23.8%	\$1,900,000	\$9,910,993	\$99.55
1916.....	2,082,068	20.8%	1,600,000	9,430,910	97.15
1915.....	1,523,801	15.2%	1,600,000	8,948,842	94.72
1914.....	2,417,157	24.0%	2,800,000	9,025,041	95.25
1913.....	3,632,581	36.0%	4,000,000	9,407,884	97.03
1912.....	6,000,422	60.0%	4,000,000	9,775,303	108.00

The progressive decline in earnings between 1912 and 1915 was due not only to a falling off in the company's gathering line business through the exhaustion of the Ohio oil fields, but also to the radical readjustment in rates after June 1913, when the United States Supreme Court declared the pipe lines common carriers. Immediately thereafter it became necessary to make a competitive through rate on oil from Oklahoma to New York and Philadelphia, against the water rate between Gulf Coast ports and those points. The previous rate of \$1.25 a barrel between Mid-Continent points and the Atlantic seaboard was cut to 70 cents, a 40 per cent. reduction. It will be noticed that because of improved conditions in the industry and the increasing demand for Mid-Continent oil by seaboard refineries, the company's traffic and profits increased materially in 1916 and 1917. As the new Government war taxes impose a penalty of 10 per cent. on current profits not distributed as dividends or converted in working capital, it is likely that the shareholders will be rewarded up to the company's full earning power, as its cash resources are unusually large.

The company's financial statement for 1917 follows:

	1917	1916	Change
*Net Profits.....	\$2,380,083	\$2,082,068	+\$298,015
Dividends	1,900,000	1,600,000	+ 300,000
Carried to P. & L. Acct...	\$480,083	\$482,068	— 1,985

*Equal to 23.8 per cent. earned in 1917 on \$10,000,000 capital stock compared with 20.8 per cent. in 1916 and 15.2 per cent. in 1915.

The Balance Sheet as of December 31st, compares as follows:—

Assets:	1917	1916	Change
Pipe Line Plant.....	\$15,597,753	\$15,479,980	+\$117,773
Materials and Supplies....	71,065	43,707	+ 27,358
Cash, other Investments and Accounts Receivable	9,366,501	8,672,578	+ 693,923
Total	\$25,035,320	\$24,196,265	+ 839,055

Liabilities	1917	1916	Change
Capital Stock.....	\$10,000,000	\$10,000,000	.....
Accounts Payable.....	244,721	330,647	— \$85,926
Reserve Account for Ac- crued Depreciation.....	4,831,948	4,414,135	+ 417,813
Fire Insurance Reserve...	47,656	20,573	+ 27,083
Profit and Loss.....	9,910,993	9,450,910	+ 480,083
Total	\$25,035,320	\$24,196,265	+ 839,055

The company's traffic has shown a healthy increase due principally to the fact that it serves as a connecting link between the Mid-Continent fields and the great refinery of the Imperial Oil Company, Ltd., at Sarnia, Canada. It has been aided also by the increased demands for crude oil at the expanded plants of the Standard Oil Company of Ohio and the Solar Refining Company. After writing off \$417,813 for depreciation the company was able to increase its dividend disbursement by \$300,000 and add \$480,000 to surplus. The Book Value of the stock (\$50 par) increased to \$99.55 a share, of which \$45.61 represents net cash assets.

Traffic over the company's lines for the last five years compares as follows:

LIMA DIVISION

	Runs from Wells	Other Receipts	Deliveries
Total 4 Months, 1918..	515,829	8,750,694	9,547,961
Total 4 Months, 1917..	658,741	7,674,892	8,446,138
Total 12 Months, 1917..	1,930,907	26,252,701	25,970,776
Total 12 Months, 1916..	2,074,880	22,920,155	24,490,516
Total 12 Months, 1915..	2,281,809	18,230,139	20,169,428
Total 12 Months, 1914..	2,567,268	16,302,421	20,402,119
Total 12 Months, 1913..	2,674,390	22,874,505	26,614,010

MACKSBURG DIVISION

	Runs from Wells	Other Receipts	Deliveries
Total 4 Months, 1918..	1,101,251	11,272	953,735
Total 4 Months, 1917..	1,119,309	14,204	1,145,489
Total 12 Months, 1917..	3,523,238	42,736	3,779,618
Total 12 Months, 1916..	3,346,637	50,657	3,429,011
Total 12 Months, 1915..	3,265,334	57,781	3,350,829
Total 12 Months, 1914..	3,434,261	69,075	3,383,608
Total 12 Months, 1913..	3,559,962	88,143	3,716,913

Directors—D. S. Bushnell, New York; O. S. June, Lima, O.
R. L. Bates, Lima, O.; Geo. E. Pifer, Cleveland, O.; T. W. Dillon, Toledo, O.

Officers—President—D. S. Bushnell.
Vice-President—O. S. June.
Secretary—George Chesebro.
Assistant Secretary—J. R. Fast.
Treasurer—W. A. Harris.

Transfer Office—26 Broadway, New York City.

Annual Meeting—Fourth Wednesday in May.

CHESEBROUGH MANUFACTURING CO.

(Consolidated)

The Chesebrough Manufacturing Company was incorporated in 1880 under the laws of New York.

Capital Stock—The capital stock of the company is \$1,500,000. Par value, \$100, having been increased from \$500,000 by a vote of the shareholder on May 4, 1916, through a 200 per cent stock dividend which was distributed on June 10, 1916.

Dividends—Since 1900 dividends have been declared as follows:

1900.....	26 per cent.	1908.....	40 per cent.
1901.....	30 per cent.	1909.....	60 per cent.
1902.....	24 per cent.	1910.....	40 per cent.
1903.....	18 per cent.	1911.....	30 per cent.
1904.....	18 per cent.	1912.....	50 per cent.
1905.....	18 per cent.	1913.....	40 per cent.
1906.....	21½ per cent.	1914.....	40 per cent.
1907.....	40 per cent.	1915.....	40 per cent.
1916—Mar 18	10% \$50,000	1917—Mar 19	3½% \$52,500
Jun 10	200% Stk. Div.	Jun 19	3½% 52,500
Jun 29	3½% 52,500	Sep 20	3½% 52,500
Sep 20	3½% 52,500	Dec 20	3½% 52,500
Dec 20	3½% 52,500	1918—Mar 21	3½% 52,500
		Jun	3½% 52,500

Total dividends since dissolution..... \$1,372,500

Properties—The company's principal business is the manufacture of vaselene and chemical bases from crude petroleum for various pharmacal products. The plant of the company is located at Perth Amboy, N. J., and it also operates distributing stations in the large cities throughout the world. Owing to the enormously increased demand for the company's pharmaceutical products in the military hospitals of Europe, the company was obliged to expend \$65,000 in expanding its plant during 1915 and expended \$185,000 additional during 1916. It rents a large office building at No. 17 State Street, New York.

During 1915 the company placed on the market an odorless and tasteless preparation of crude oil for medicinal purposes under the trade name of "White Liquid Vaseline." The preparation is enjoying a large sale, as physicians have found it an excellent remedy for intestinal stasis.

During the eight-year period 1899-1906, the average net profits were \$157,447, or equal to 31.5 per cent. on the \$500,000 capital stock outstanding. At the close of 1906 the company's net assets were \$1,090,575, indicating a surplus of \$590,575. In the succeeding eight years, the company's earnings increased materially, as its dividends averaged 40 per cent. and surplus doubled. The dividend on the increased capital is equivalent to 42 per cent. on the original capitalization.

Officers—President—O. M. Cammann.

Vice-President—C. W. McGee.

Secretary—R. S. Gill.

Treasurer—C. Lamont.

Ass't Secretary and Treasurer—F. H. Williams.

Trustees—O. M. Cammann, C. W. McGee, R. S. Gill, C. Lamont, R. A. Chesebrough, S. A. Drew, W. C. Cammann, Lewis C. Waring, Rusel E. Burke.

Transfer Office—17 State Street, New York City.

Annual Meeting—First Thursday in May.

COLONIAL OIL COMPANY

The Colonial Oil Company was incorporated in 1901, under the laws of New Jersey.

Capital Stock—The capital stock is \$250,000. Par value \$100.

Dividends—The company has paid two dividends in liquidation, 100 per cent. on May 1, 1916, and 50 per cent. on November 20, 1917.

Properties—This company was engaged principally in marketing Standard Oil products in South Africa and Australia.

The directors of the old Standard Oil Company of New Jersey had decided to dissolve the Colonial Oil Company, and preparatory to this end had transferred most of the foreign marketing agencies of the Colonial in South Africa, Australia and China to the Standard Oil of New York and the Vacuum Oil Company. The process of liquidating the company was halted by the announcement of the Government's decree of dissolution. This left Colonial Oil with only one marketing station, located in Buenos Ayres. The Standard Oil Company of New Jersey also has operated a marketing station in Buenos Ayres in competition with the Colonial Oil Company.

Stockholders of the company at a special meeting November 24, 1915, voted approval of a resolution of the directors, to dissolve the company

The Trustees in Liquidation in announcing the initial payment of \$100 a share on May 1, 1916, furnished a financial statement of the company as of March 1, 1916. Thereafter, in November, 1917, in conjunction with the declaration of a second payment of \$50 a share on November 20, 1917, a supplemental financial statement was given out. These statements compare as follows:

	March 1, 1916	Oct. 31, 1917
Cash and Demand Loans.....	\$331,794	\$163,947
Notes and Accounts Receivable.....	249,649	90,842
Real Estate (Buenos Aires).....	20,244	.....
Plant, Furniture, Etc.....	9,685	667
	<u>\$611,372</u>	<u>\$255,456</u>
Less Indebtedness	129,047	.....
Dividend "A" Uncollected.....	.....	6,804
	<u>\$482,325</u>	<u>\$248,652</u>
Net Assets	\$482,325	\$248,652
Dividend	250,000	125,000
	(100%)	(50%)
Carried Forward	\$232,325	\$123,652

The unliquidated assets represent a book value of \$49.46 a share. The progress of the liquidation as revealed in the above statements, shows the careful manner in which the company's assets are being conserved for the benefit of the stockholders. In connection with the recent statement, the trustees said:

"During the past year the trustees have disposed of the real estate, plant equipment and office furniture at Buenos Ayres, Argentine, and collected a substantial part of the outstanding notes and accounts receivable.

"While the trustees have succeeded in realizing \$158,807 from notes and accounts receivable at Buenos Ayres, there is still outstanding \$90,842, a large part of which is represented

by long time paper or is owing from former customers whose financial affairs have been such that the trustees have not deemed it advisable to endeavor to enforce collection by litigation. The company's representative at Buenos Ayres, feels that a substantial part of these outstanding accounts is collectable."

The stock transfer books of the company have been closed permanently but registered stockholders may authorize the payment of distributions to other persons by filing formal assignments with the company.

Officers—President—E. T. Bedford.

Vice-President—W. J. Fisher.

Secretary and Treasurer—F. A. Morrell.

Transfer Office—No. 17 Battery Place, New York City.

CONTINENTAL OIL COMPANY

The Continental Oil Company was incorporated in March, 1913, under the laws of Colorado.

Capital Stock—The Capital Stock is \$3,000,000. Par value \$100. On September 17, 1917, the stockholders approved an increase of the authorized capitalization to \$12,000,000, but the directors have taken no steps to issue the new stock.

The original Continental Oil Company was incorporated in Iowa in 1884, with a capital of \$300,000. On May 8, 1913, the stockholders ratified the proposition to turn the business and assets of the company over to the new Colorado corporation.

The stock of the Continental Oil Company of Colorado was thereupon distributed to the stockholders of the Continental Oil Company of Iowa, in the ratio of ten shares of the new corporation in exchange for each share of the old corporation; and as to fractional shares, each holder received a fractional share ten times as great as his holding in the Iowa company. This is equal to a 900 per cent. stock dividend.

Dividends—Since the dissolution dividends have been paid as follows:

1918—Jun 17	3%	\$90,000	1915—Jun	3%	\$90,000
Mar 16	3%	90,000	Mar	3%	90,000
1917—Dec 17	3%	90,000	1914—Dec	3%	90,000
Sep 17	3%	90,000	Sep	3%	90,000
Jun 16	3%	90,000	Jun	3%	90,000
Mar 16	3%	90,000	Mar	3%	90,000
1916—Dec	3%	90,000	1913—Dec 16	3%	90,000
Sep	3%	90,000	Sep 16	3%	90,000
Jun	3%	90,000	Jun 30	900%	Stk. Div.
Mar	3%	90,000	1912—Nov 20	20%	60,000
1915—Dec	3%	90,000	Feb 28	50%	150,000
Sep	3%	90,000			

Total Dividends since Dissolution..... \$2,010,000

Properties—This was originally a marketing company, operating in the Rocky Mountain States of Montana, New Mexico, Utah, Idaho, Wyoming and Colorado, as well as in the Canadian Provinces of Manitoba and Saskatchewan.

The company purchased its supplies from Standard Oil Company of Kansas and Standard Oil Company of California as well as from the United Oil Company's refinery at Florence, Colo. With the development of the Wyoming fields and the erection of larger refining plants at Casper, Wyo., by the Midwest Refining Company and Standard Oil Company of Indiana,

the company began to take most of its supplies from Casper and erected there a large shipping station.

In 1916, to take advantage of the surplus of high grade crude oil in Wyoming, the company acquired control of the United Oil Company's refinery at Florence, Colo., and at an expenditure of \$750,000 is converting it into one of the best equipped refining plants west of the Mississippi River. The refinery will be complete in every detail, including a wax plant and Burton pressure stills for producing motor spirit from distillate.

It is understood also that the company is interested in production in Wyoming and Colorado and has become therefore a complete unit, exercising the four major operations of the petroleum industry.

With the rapid increase in the use of automobile and farm tractors, the demand for petroleum products in the Rocky Mountain States has more than doubled in the last three years, and with ample cash resources the company has expanded its facilities to meet its growing business.

Earnings—No financial statement has been issued since the dissolution, but the Federal Trade Commission reports that in 1915, the company earned \$1,543,037, or at the rate of 51.4 per cent., and that the company's capital and surplus on December 31, 1915, was \$5,716,704. As 1916 and 1917 were the best years in the company's history, it is not unlikely that the company's surplus at the close of 1917 was in excess of \$5,000,000.

Officers—President—E. T. Wilson.

Vice-President—H. T. Cleaver.

Secretary and Treasurer—C. E. Strong.

General Manager—J. B. F. Reynolds.

Transfer Office—McPhee Building, Denver, Colorado.

Annual Meeting—Third Thursday in January.

THE CRESCENT PIPE LINE COMPANY

The Crescent Pipe Line Company was incorporated in 1891 under the laws of Pennsylvania.

Capital Stock—The capital stock was originally \$100,000, but this was increased to \$3,000,000 in 1906. Par value, \$50.

Dividends—Since the dissolution, the dividend rate has been as follows:

1918—Jun 15	1½ %	\$45,000	1914—Dec 15	1½ %	\$45,000
Mar 15	1½ %	45,000	Sep 15	1½ %	45,000
1917—Dec 15	1½ %	45,000	Jun 15	3 %	90,000
Sep 15	1½ %	45,000	Mar 15	3 %	90,000
Jun 15	1½ %	45,000	1913—Dec 15	3 %	90,000
Mar 15	1½ %	45,000	Sep 15	3 %	90,000
1916—Dec 15	1½ %	45,000	Jun 16	3 %	90,000
Sep 15	1½ %	45,000	Mar 17	3 %	90,000
Jun 15	1½ %	45,000	1912—Dec 16	3 %	90,000
Mar 15	1½ %	45,000	Sep 16	3 %	90,000
1915—Dec 15	1½ %	45,000	Jun 15	3 %	90,000
Sep 15	1½ %	45,000	Mar 15	3 %	90,000
Jun 15	1½ %	45,000			
Mar 15	1½ %	45,000			
Total Dividends since Dissolution.....					\$1,620,000

Properties—The Crescent Pipe Line forms the main trunk of what is known as the Middle Division of the Appalachian Pipe Line System. The line is about 315 miles long, and is constructed of 5-inch and 6-inch pipe. It extends from Gregg

in Western Pennsylvania, where it connects with the South-West Pennsylvania Pipe Lines (from which lines it receives the traffic) in almost a direct line southeasterly to Marcus Hook, south of Philadelphia, which is an important exporting point for crude oil. The pumping stations average 43 miles apart.

Earnings—Crescent Pipe Line Company's financial statement for 1917 permits of the following review of the six-year period:

	Net Profits	Rate	Dividends	Surplus	Bk.Val.
1917.....	\$167,129	5.57%	\$180,000	\$349,813	\$55.83
1916.....	193,072	6.43%	180,000	362,684	56.04
1915.....	187,269	6.24%	180,000	349,613	55.82
1914.....	269,658	8.98%	270,000	342,245	55.70
1913.....	370,849	12.30%	360,000	342,686	55.71
1912.....	426,111	14.20%	360,000	331,792	55.53

The company's decline in earnings has been due not so much to falling off in traffic as to reduced rates. The company has no carrying lines, but depends entirely on trunk line business furnished by the South West Pennsylvania Pipe Lines' gathering system.

Crescent Pipe Line Company's report for 1917 compares with the previous year as follows:—

	1917	1916	Decrease
Net Profits.....	\$167,129	\$193,072	\$25,943
Dividends Paid.....	180,000	180,000	.....
Surplus	*\$12,871	\$13,072	

*Deficit.

Net profits were equal to 5.57 per cent. earned in 1917 after deducting War Taxes, compared with 6.43 per cent. in 1916 and 6.24 per cent. in 1915.

The Balance Sheet of the company as of December 31, 1917, compares with the previous year as follows:—

Assets:	1917	1916	Change
Plant less Depreciation...	\$895,784	\$913,986	— \$28,202
Materials and Supplies....	9,792	5,224	+ 4,568
Cash, Accounts Receivable and Other Investments.	2,467,852	2,510,195	— 42,343
Total Assets.....	\$3,373,428	\$3,429,405	— \$55,977
Liabilities	1917	1916	Change
Capital	\$3,000,000	\$3,000,000	.....
Accounts Payable.....	23,615	66,721	— \$43,106
Profit and Loss Surplus...	349,813	362,684	— 12,871
Total Liabilities....	\$3,373,428	\$3,429,405	— \$55,977

The company's traffic showed a slight falling off during 1917 which was reflected in a corresponding decline in earnings. The company is in an easy cash position, however, as net cash assets amount to \$41 a share.

Traffic over these lines since the dissolution has been as follows:

	Other Receipts (Barrels)	Deliveries (Barrels)
	Other Receipts (Barrels)	Deliveries (Barrels)
Total 4 Months, 1918.....	560,073	599,699
Total 12 Months, 1917.....	1,844,264	1,801,261
Total 12 Months, 1916....	1,845,163	1,850,523
Total 12 Months, 1915.....	1,753,336	1,731,153
Total 12 Months, 1914....	1,261,210	1,244,935
Total 12 Months, 1913.....	1,435,856	1,592,730

Officers—President—R. R. Applegate.

Vice-President—Charles Shoemaker.

Secretary and Treasurer—L. E. Lockwood.

Transfer Office—323 Fourth Avenue, Pittsburgh, Penna.

Annual Meeting—First Monday in May.

CUMBERLAND PIPE LINE COMPANY

Incorporated

The Cumberland Pipe Line Company was incorporated in 1901 under the laws of Kentucky.

Capital Stock—The authorized capital stock is \$1,500,000, of which \$1,488,851 is outstanding. Par value \$100. The original capitalization was \$100,000, which was raised to \$1,000,000 prior to the dissolution. On July 30, 1917, the shareholders authorized an increase to \$1,500,000 and subscription rights at par to the extent of 50 per cent. of their holdings were extended to stockholders up to October 15.

Dividends—Since the dissolution, the company has paid annual dividends as follows:

1917—Dec 15	10%	\$148,879	1914—Dec 15	5%	\$50,000
1916—Dec 18	5%	50,000	1913—Dec 15	6%	60,000
1915—Dec 15	5%	50,000	1912—Dec 15	6%	60,000
Total Dividends since Dissolution.....					\$418,879

Properties—The company owns 350,000 barrels of iron tankage, 5 main line pumping stations, 20 local pumping stations and 600 miles of pipe line of various sizes from 2-inch to 6-inch pipe.

The main lines embrace 51 miles of 6-inch and 154 miles of 4-inch pipe, extending from Monticello Station via Somerset and Licking River Junction to Clifford on Tug Fork, connecting at that point with the Eureka Pipe Line Company and from Page Hollow via Lewis to Licking River Junction. Oil from the Ragland field is shipped by tank cars from Salt Lick, Bath County. With the opening of the new Irvine Field in Estill County, Kentucky, in 1916, the company's traffic prospects increased so heavily that a three-inch trunk line was run from Leander to Ravenna, where a storage farm and pump station was erected, while a 35,000 barrel storage tank and a pump station were erected at Leander. The first oil from Irvine was run into the line in April, 1916. A second four-inch extension was laid, with branch lines to the Station Camp pool, ten miles southwest of Irvine and to Estill Furnace, an eastern extension of the Irvine district. A third four-inch truck line connecting up the Fitchburg and Ashley extensions of the Irvine pool, was completed in the summer of 1917, and an additional line to take care of Lee County production will be in operation during the summer of 1918. The company is running an average of 12,000 barrels daily from the Kentucky fields.

Cumberland Pipe Line Company's financial report for 1917 compares with that of the previous year, as follows:—

	1917	1916	Increase
Net Profit.....	\$487,758	\$179,366	\$308,392
Dividends	148,879	50,000	98,879
Surplus	\$338,879	\$129,366	\$209,513

Net earnings were equal to 32.76 per cent. earned on \$1,-488,851 capital stock outstanding at the close of the year compared with 17.9 per cent. earned in 1916 and 3.2 per cent. in 1915 on \$1,000,000 stock outstanding in those years.

The Balance Sheet as of December 31, 1917, compares with the previous year as follows:—

Assets:	1917	1916	Change
Plant	\$2,032,903	\$1,529,812	+\$503,091
Other Investments.....	350,000	60,930	+ 289,070
Accounts Receivable.....	72,339	61,954	+ 10,385
Cash	79,284	25,655	+ 53,629
Total Assets.....	\$2,534,526	\$1,678,351	+\$856,175
Liabilities	1917	1916	Change
Capital Stock.....	\$1,488,851	\$1,000,000	+\$488,851
Reserve for Depreciation..	354,084	232,773	+ 121,311
Accounts Payable.....	40,788	63,618	— 22,830
Bills Payable.....	.....	125,000	— 125,000
Oil Pur. & Sale Contingent	54,964	.....	+ 54,964
Surplus	595,839	256,960	+ 338,879
Total Liabilities....	\$2,534,526	\$1,678,351	+\$856,175

By an investment of \$500,000 in pipe line extensions, following \$300,000 expended for the same purpose in 1916, the company was enabled to take care of the increasing production in the Kentucky fields. While its increase in Plant Investment during the year was around 33 per cent., the resultant increase in earnings was around 170 per cent. and the increase in traffic approximately the latter figure.

The influx of new capital enabled the company to wipe out a cash deficit, finance its expansion program, double its dividend rate on an increased capitalization, and leave the company at the close of the year with net Cash assets of \$30.95 a share. The Book Value of the stock increased from \$125 a share on 10,000 shares to \$140 a share on 14,888 shares. At the close of the year the company was in position to continue its plant expansion without further financing.

A review of the company's operations since the dissolution shows the following:

	Earnings	Rate	Invested Depreciation		
			in Plant	for Year	Surplus
1917.....	\$487,758	32.76%	\$503,091	\$121,311	\$595,839
1916.....	179,366	17.90%	317,365	35,674	256,960
1915.....	32,001	3.20%	25,789	35,024	127,594
1914.....	31,688	3.16%	317	22,128	145,594
1913.....	72,143	7.20%	20,453	40,271	163,907
1912.....	88,982	8.89%	.....	*99,636	151,765

NOTE—On June 30, 1911, the surplus was \$110,559

*Accrued depreciation to December 31, 1912.

Traffic—Traffic statistics for the past five years follow:

	Runs	Deliveries	Tankage
	(Barrels)	(Barrels)	(Barrels)
1912.....	475,546	562,112	129,225
1913.....	522,552	518,027	85,107
1914.....	479,608	405,711	172,375
1915.....	407,078	403,232	169,259
1916.....	1,144,750	1,041,301	197,557
1917.....	3,015,640	2,993,071	147,665
1918 4 months).....	1,171,022	1,161,145	143,661

Directors—Forrest M. Towl, New York; John Bahan, Winchester, Ky.; H. B. Robinson, Oil City, Pa.; Joseph Geiger, Monticello, Ky.; J. S. Gardner, W. Liberty, Ky.

Officers—President—Forrest M. Towl.

Vice-President and General Mgr.—John Bahan.

Vice-President—H. B. Robinson.

Secretary and Treasurer—E. R. Shepard.

Ass't Sec'y and Treas.—C. A. McLouth.

Assistant Treasurer—J. H. Baker.

Main Office—Winchester, Ky.

Annual Meeting—First Thursday in December.

Transfer Office—No. 210 Seneca Street, Oil City, Penna.

THE EUREKA PIPE LINE COMPANY

The Eureka Pipe Line Company was incorporated in 1890 under the laws of West Virginia.

Capital Stock—The capital stock is \$5,000,000. Par value, \$100.

Dividends—Since the dissolution, dividends have been declared, payable as follows

1918—May 1	6%	\$300,000	1915—Feb 2	6%	\$300,000
Feb 1	6%	300,000	1914—Nov 2	6%	300,000
1917—Nov 1	6%	300,000	Aug 1	8%	400,000
Aug 1	6%	300,000	May 1	8%	400,000
May 1	6%	300,000	Feb 2	10%	500,000
Feb 1	6%	300,000	1913—Nov 1	10%	500,000
1916—Nov 1	6%	300,000	Aug 1	10%	500,000
Aug 1	6%	300,000	May 1	10%	500,000
May 1	6%	300,000	Feb 1	10%	500,000
Feb 1	6%	300,000	1912—Nov 1	10%	500,000
1915—Nov 1	6%	300,000	Aug 1	10%	500,000
Aug 2	6%	300,000	May 1	10%	500,000
May 1	6%	300,000			

Total Dividends since dissolution..... \$9,300,000

Properties—The company owns and operates 4.216 miles of pipe line, with 9 trunk line pumping stations and 84 local pumping stations, and owns 2,798,000 barrels of iron tankage.

The pipe lines reach nearly all of the wells in West Virginia. In addition to its lines gathering oil from these wells, the trunk lines of the company are engaged in interstate handling of oil.

The trunk lines extend from Clifford on Tug Fork, Eureka and Sisterville via Branden and Downs to Morgantown; from Sisterville to Littleton; from Sand Fork via Ten Mile and Downs to Morgantown; from Downs to Minor and Downs to Dolls Run.

From Morgantown to State Line via Dolls Run there are two 6-inch and two 8-inch trunk lines connecting with the South West Pennsylvania Pipe Lines.

From Morgantown northeast to connect with the lines of the Southern Pipe Line Company at Pennsylvania State Line there are seven 6-inch lines.

The company receives Kentucky oil from the Cumberland Pipe Line at Clifford.

Earnings—The company's earnings and dividends since the dissolution have been as follows:

	Net Profits	Rate	Dividends	Surplus	Book Value
1917.....	\$1,111,883	22.23%	\$1,200,000	\$4,465,767	\$189.31
1916.....	1,322,069	26.44%	1,200,000	4,553,887	190.07
1915.....	992,247	19.84%	1,200,000	4,431,882	188.63
1914.....	1,416,134	28.32%	1,599,997	4,639,579	192.79
1913.....	1,954,305	39.08%	1,999,990	4,823,442	196.47
1912.....	2,618,389	52.37%	1,499,989	4,869,127	197.38

Eureka Pipe Line Company's financial statement for 1917 compares with the previous year as follows:—

	1917	1916	Decrease
*Profits	\$1,111,883	\$1,322,069	\$210,186
Dividends	1,200,003	1,200,003	.....
Surplus	†\$88,120	\$122,066	\$210,186

*Equal to 22.23 per cent. in 1917 on \$5,000,000 capital stock in comparison with 26.44 per cent. in 1916.

†Deficit.

The company's Balance Sheet as of December 31, 1917, compares as follows:—

Assets:	1917	1916	Change
Plant	\$9,871,602	\$9,674,285	+\$197,317
Other Investments.....	1,648,413	1,124,413	+ 524,000
Accounts Receivable.....	185,278	693,935	— 508,657
Cash	326,820	446,550	— 119,730
Total Assets.....	\$12,032,113	\$11,939,182	+ \$92,931
Liabilities	1917	1916	Change
Capital Stock.....	\$5,000,000	\$5,000,000	.....
Depreciation	2,012,442	1,738,189	+\$274,253
Accounts Payable.....	321,354	309,306	+ 12,048
Oil Pur. & Sale Contingent	232,549	337,800	— 105,251
Profit and Loss.....	4,465,767	4,553,887	— 88,120
Total Liabilities....	\$12,032,113	\$11,939,182	+ \$92,931

The decline in the company's earnings may be traced to the falling off in its "gathering line" business, due to the progressive exhaustion of the West Virginia fields. Its trunk line traffic, which is less profitable showed an appreciable increase, as it receives all the oil gathered in Kentucky by the Cumberland Pipe Line Company. The Book Value of the stock fell to \$189.31 a share, of which \$36.78 represents net cash assets.

Traffic—Runs, receipts and deliveries of the line since the dissolution are as follows:

	Runs	Other Receipts	Deliveries
1918 (3 mos.).....	1,506,912	3,181,050	4,791,635
1917.....	7,144,670	13,678,574	20,496,208
1916.....	7,737,768	11,064,700	19,992,288
1915.....	8,368,851	8,450,178	16,191,510
1914.....	8,986,601	8,709,041	16,285,753
1913.....	10,764,342	11,245,908	21,948,350
1912.....	11,499,665	13,394,733	24,656,482

Officers—President—Forrest M. Towl, New York City.

Vice-Pres. and Gen'l Mgr.—W. J. Alexander,
Parkersburg, W. Va.

Vice-President—A. D. McVey.

Secretary and Treasurer—E. R. Shepard.

Asst. Sec'y and Treas.—C. A. McLouth and E. W. Ziegler.

Directors—Forrest M. Towl, W. J. Alexander, J. Cochrane,
A. D. McVey, John J. Kinney.

Transfer Office—210 Seneca Street, Oil City, Pennsylvania.

Annual Meeting—Fourth Thursday in January.

GALENA-SIGNAL OIL COMPANY

The Galena-Signal Oil Company was incorporated in 1901 under the laws of Pennsylvania as a consolidation of the Galena Oil Works and the Signal Oil Company. The Galena Oil Company was organized as early as 1869 by General Charles Miller, who purchased certain patents for making lubricating oils. These oils had immediate success through the striking demonstrations of their results on many railroads in the United States.

By 1879 the use of Galena Oils had increased to such an extent that General Miller and his partners controlled the trade in lubricating oils with railroads operating about 40 per cent. of the railway mileage in the United States.

Recently the company was credited by Government officials with being one of the first companies whose product successfully passed the chemical and service tests for aeroplane lubrication in the Liberty motor.

Capitalization—The present capitalization of the company consists of \$2,000,000 eight per cent preferred stock and \$12,000,000 common stock, the latter having been increased from \$8,000,000 by a 50 per cent. stock dividend on May 15, 1913.

Stockholders met on May 31, 1918, and authorized an increase of the common stock from \$12,000,000 to \$20,000,000 and to create a new class of 8 per cent. cumulative preferred stock to the amount of \$8,000,000. The company also was empowered by the stockholders to make this new preferred stock redeemable on three months' notice at \$115 a share.

With the approval of the capital increase, the company has arranged to issue \$2,000,000 of the new preferred and \$4,000,000 of the new common stock in part payment for the capital stock of the American Republic Corporation, a holding company for all of the stock of the Republic Production Company and the American Petroleum Company and one-half of the stock of the Petroleum Refining Company, Inc., of which the Galena Signal Oil Company already owns 50 per cent. It is proposed, moreover, to offer an additional \$4,000,000 of the new preferred stock for subscription at par, pro rata, to all stockholders. This would make the new capitalization of the company as follows:

	Authorized	Outstanding
8% Preferred (Old).....	\$2,000,000	\$2,000,000
8% Preferred (New).....	8,000,000	6,000,000
Common Stock	20,000,000	16,000,000

In the official call for the special meeting, the objects of the proposed increase of capitalization were stated as follows:

"To acquire property at Houston, Texas, viz., producing property, on which there are now forty-two wells; the average daily production for the year 1917, being 3,690 barrels; including pump house, rigs, tanks and other equipment.

"Tank farm of 141 acres, on which there are forty-eight steel tanks, of 55,000 barrels capacity each, holding in storage about 2,271,000 barrels of crude oil; also necessary pumping machines and equipment.

"The Norsworthy Farm of 80 acres, on the Houston Ship Canal, with dock, tanks, pump house and equipment.

"Main pipe line of twenty-four miles of six-inch pipe, with right-of-way owned, together with necessary gathering lines.

"One-half interest of new refinery and 550 acres, on the Houston Ship Canal, your company already owning one-half interest.

"The acquisition of this property will enable your company to extend its business into a larger field of operations and thereby establish a greater degree of permanency for your company.

"It may simply and briefly be stated that the production from the Humble Field is a naphthene base oil, from which the finest quality of light colored oils are obtained for the lubrication of all kinds of machinery, such as aeroplanes, automobiles, gas engines, air compressors, turbines, Diesel engines, etc.—oils in every respect that will meet the most exacting specified requirements of the United States Navy, owing to their good body, low cold test and other essential qualities.

"The various grades of lubricating oils that can be manufactured from the Humble Field oil are superior to any other oils to be had in the market, not excluding the Franklin and heavy West Virginia oils, as regards the high viscosity and remarkable low cold test. From a business point of view the possibility of expansion and proper development of this property should certainly make a very valuable acquisition to your company.

"There is a great demand for the oils manufactured from the Humble production in this country as well as in European countries and South America—therefore, by acquiring this property your company will be in a position to supply, develop and establish a trade not heretofore possible.

"From a very careful investigation, the estimated earnings to accrue as a result of the purchase of these properties would be as follows:

Estimated Earnings from Property		
to be Acquired.....		\$1,000,000
8% on \$2,000,000 Preferred Stock...	\$160,000	
12% on \$4,000,000 Common Stock...	480,000	
Interest Charges	168,000	808,000
Surplus.....		\$192,000

"After the additional \$4,000,000 of preferred capital stock is sold and proceeds employed in enlarging refinery and the purchase of steamers, tank cars, etc., as mentioned in Notice of Special Meeting, the estimated result of increased capacity would be as follows:

Estimated Earnings on Property to be Acquired and New Investment		
8% on Total New Issue of \$6,000,000 Preferred Stock	\$480,000	
12% on \$4,000,000 Common Stock..	480,000	
Interest Charges	168,000	1,128,000
Surplus.....		\$872,000

"The above estimated statement of earnings is on the new properties to be acquired and the proposed increased capital stock, and does not take into account the business and earnings of the company on its present capitalization."

The Texas producing, pipe line and refining properties enumerated are owned by the Petroleum Refining Company, Inc., a Delaware corporation with \$1,500,000 capital, and the Republic Production Company and the American Petroleum Company, both Texas Corporations, each capitalized for \$1,500,000 of stock and \$1,500,000 of 6% bonds. \$200,000 of the Republic Production Company's bonds have been retired. The American Republic Corporation, a Delaware corporation

with \$10,000,000 authorized capital and \$3,000,000 common and \$500,000 preferred stock outstanding, owns all the stock of the Republic Production Company and the American Petroleum Company and one-half the stock of the Petroleum Refining Company. The Republic Production Company reported under the Texas taxation laws an output of 1,670,581 barrels of crude oil in 1917.

"It is apparent that with the consummation of its plans the company will become a complete unit in the industry, engaging in the production, transportation, refining and marketing of crude oil and its by-products.

Dividends—Dividends at the rate of 8 per cent. per annum have been paid to date on the preferred stock. Since the dissolution, dividends on the common stock have been paid as follows

1918—Mar 31	3%	\$360,000	1914—Dec 31	3%	\$360,000
1917—Dec 31	3%	360,000	Sep 30	3%	360,000
Sep 29	3%	360,000	Jun 30	3%	360,000
Jun 30	3%	360,000	Mar 31	3%	360,000
Mar 31	3%	360,000	1913—Dec 31	3%	360,000
1916—Dec 31	3%	360,000	Sep 30	3%	360,000
Sep 30	3%	360,000	Jun 30	4%	480,000
Jun 30	3%	360,000	May 15	50%	Stk. Div.
Mar 31	3%	360,000	Mar 31	4%	320,000
1915—Dec 31	3%	360,000	1912—Dec 31	4%	320,000
Sep 30	3%	360,000	Sep 30	4%	320,000
Jun 30	3%	360,000	Jun 30	4%	320,000
Mar 31	3%	360,000	Mar 30	4%	320,000

Total Dividends since dissolution:

Preferred	\$1,000,000
Common	8,920,000

Properties—This company is engaged in the manufacture of lubricating and signal oils, and has an extensive plant at Franklin, Pa. It also owns and operates plants at Toronto, Canada; Parkersburg, W. Va.; Boston, Mass.; Rouen, France, and Elizabeth, N. J. The latter plant supplies the export trade. Extensive additions to this plant are now under way on 125,000 square feet of additional land which the company has acquired recently. As a producer of lubricating oils, the company has an extensive and profitable trade with railroads throughout the world and manufactures one hundred and thirty different brands of oil for special purposes of railroads.

The oils of the Galena-Signal Oil Company are the standard of lubrication, not only among American railways in general, but upon nearly all of the railways of Canada, South America and France, with an increasing demand from other foreign countries. The company's yearly output is more than 800,000 barrels of lubricants, from which it supplies over 90 per cent. of the railroads of this country; 75 per cent. of the total street car mileage of this country; 70 per cent. of the railroads of South America, and a goodly percentage of the street railroads. The company recently has renewed for ten years on a more profitable basis, some of its important contracts with government-owned French railroads.

The Company markets its oils to the railroads under a contract system, guaranteeing a certain mileage performance of equipment with due efficiency, per gallon of oil consumed. This manner of purchasing oils has proven a great saving in the operating expenses of the railroads everywhere, and has

also resulted in building up an enormous business for the Galena-Signal Oil Company.

In order to keep in touch with the individual requirements of the various railroads, the company maintains a corps of expert mechanics, who study the requirements and differing conditions to be met with in actual service.

With the enormous development of the automobile industry, a demand has arisen for special brands of automobile lubricants, which this company has met with such success that the General Motors Company and other large organizations depend upon it for all lubricants and greases in getting their cars out of the factory. This new line has necessitated the purchase of 23 acres adjoining the company's plant at Franklin, where a compounding plant has been erected for the manufacture of motor oils.

The company's new refinery at Galena, Texas, is situated on a 580-acre tract having a half mile frontage on the Houston Ship Canal, in which tankers of 26-foot draft can be handled. The plant now in operation consists of two 1,000-barrel steam stills and eight 500-barrel crude stills. Extensions under way will enable the plant to handle 15,000 barrels of crude daily. Dr. E. R. Lederer, formerly chief chemist of the Atlantic Refining Company's Eclipse plant at Franklin, Pa., is in charge of the refinery, which will supply a large part of Galena's foreign business.

The company's balance sheet as of December 31, 1917, compares as follows:

Assets:	1917	1916
Cash	\$363,322	\$1,293,165
Securities	1,851,645	1,002,206
Accounts Receivable	5,780,110	4,618,251
Inventory	2,520,792	1,855,207
Property and Plant.....	1,658,688	1,218,538
Goodwill, etc.	6,950,000	6,950,000
Total Assets	\$19,074,557	\$16,937,367
Liabilities		
Preferred Stock	\$2,000,000	\$2,000,000
Common Stock	12,000,000	12,000,000
Accounts Payable	2,371,475	1,160,812
Contingency	1,617,881	902,861
Surplus	1,085,201	873,694
Total Liabilities	\$19,074,557	\$16,937,367

Earnings of \$2,526,527 are indicated for 1917 in that \$211,552 was added to surplus and \$715,020 to Contingency Reserve after payment of \$1,600,000 in dividends. Earnings were equal to about 16.90% on the common stock. This compares with indicated earnings of \$1,804,682 for 1916, equal to about 11.74% on the common stock.

While the company's cash resources decreased during the year and its accounts payable doubled in amount, the company increased its working capital to \$8,094,394, an increase of \$486,377 over the amount at the close of the previous year.

Officers—President—General Charles Miller.

Vice-President—C. C. Steinbrenner.

Officers—President—General Charles Miller.

Vice-President—C. C. Steinbrenner.

Vice-President—L. J. Drake, Jr.

Vice-President—G. C. Miller.

Secretary—J. French Miller.

Assistant Secretary—G. F. Proudfoot.

Treasurer—E. H. Sibley.

Directors—General Charles Miller, L. J. Drake, Jr., C. C. Steinbrenner, George C. Miller, J. French Miller, D. D. Mallory and G. F. Proudfoot.

Transfer Office—Liberty and South Park Streets, Franklin, Penna.

Annual Meeting—Fourth Tuesday in February.

ILLINOIS PIPE LINE COMPANY

The Illinois Pipe Line Company was incorporated in December, 1914, under the laws of Ohio, to take over the Ohio Oil Company's trunk and gathering pipe line systems, with the equipment belonging thereto, in the States of Illinois, Indiana, Ohio and Pennsylvania.

Capitalization—\$20,000,000. Par value, \$100.

The 200,000 shares of stock were distributed pro rata among the holders of the 600,000 shares of the Ohio Oil Company on February 1, 1915. The company began operation on January 2, 1915.

Dividends—The company's dividend record since organization is as follows:

1918—Jun 29	8%	\$1,600,000	1916—Jun 24	12%	\$2,400,000
1917—Dec 17	10%	2,000,000	Jan 15	15%	3,000,000
Jun 15	12%	2,400,000	1915—Jul 20	5%	1,000,000
1916—Dec 19	12%	2,400,000			

Total Dividends since organization..... \$14,800,000

Business—The company acts as a common carrier of crude oil in the States of Illinois, Indiana, Ohio, and Pennsylvania, in which its extensive systems of gathering and trunk lines are located.

The company also operates three short lines in the new Wyoming oil fields.

Properties—The company's gathering lines carry more than four-fifths of the crude oil produced in the Illinois field. Its main trunk line extends for nearly 1,000 miles from Wood River, Ill., on the banks of the Mississippi River to Centerbridge, Pa., joining a trunk line of the Prairie Pipe Line in the west with the pipe line of the Standard Oil Company of New Jersey in the East. Another trunk line runs from Martinsville, Ill., to Preble, Ind., joining there the Indiana Pipe Line. A third trunk line runs to Lima, Ohio, and effects a junction with the Buckeye system.

It is apparent that the company's trunk line system furnishes a direct connection between the Mid-Continent oil field and the Atlantic seaboard refineries and by reason of this is assured of heavy traffic, irrespective of production east of Mississippi River.

The company has filed with the Public Utilities Commission of Ohio an inventory of the property purchased from the Ohio Oil Company as follows:

Illinois

Fifty tanks	\$500,000
Eight-inch lines	1,522,000
Twelve-inch lines	150,000
Three stations	525,000
Eleven stations	550,000
Coal, office furniture, etc.....	175,000
Telegraph lines	82,000
Gathering lines and pumps.....	4,310,000

Ohio

Eight-inch lines	\$3,679,000
Twelve-inch lines	1,155,000
Four stations	700,000
Sixty-three tanks	630,000
Gathering and Wooster lines.....	30,000
Telegraph and equipment.....	78,500
Furniture	105,000

Indiana

Eight-inch lines	\$2,737,000
Twelve-inch lines	1,388,000
Fifteen tanks	150,000
Fixtures, etc.	120,000
Four stations	700,000
Telegraph lines	92,600
Gathering lines	169,500

Pennsylvania

Coal and supply lines for operating.	\$250,000
Cash	200,000

Total four States..... **\$19,998,600**

In Wyoming, the company has in operation an 8-inch trunk line 22 miles in length from the Big Muddy field to Casper, Wyo. The company also has 315,000 barrels of steel tankage in the Big Muddy field. Two other short lines are operated in Wyoming, one from the Grass Creek field to Chatam, whence the oil is shipped by tank cars to Casper, and one from the Buffalo Basin field to Greybull, via Frannie.

Balance Sheet—The company's balance sheet as of December 31, 1917, compares with that of the previous year as follows:

Assets:	1917	1916	Change
Property	\$19,764,846	\$18,618,150	\$1,146,696+
Cash & Accts. Receivable	1,021,014	2,037,482	1,016,468—
Materials and Supplies..	281,188	176,061	105,127+
Other Investments	412,000	.....	412,000+
Total Assets.....	\$21,479,048	\$20,831,693	\$647,355+
Liabilities:			
Capital Stock	\$20,000,000	\$20,000,000	.....
Accounts Payable.....	242,173	466,451	\$224,278—
Tax Liability.....	1,199,243	.....	1,199,243+
Surplus	37,632	365,242	327,610—
Total Liabilities...	\$21,479,048	\$20,831,693	\$647,355+

The financial statement indicates net profits, after depreciation, of \$5,271,633 for 1917, inasmuch as surplus decreased \$327,610 after the payment of \$4,400,000 in dividends and the setting aside of \$1,199,243 as a reserve for war taxes.

While the net profits were greater by \$441,212 than those for 1916, net earnings available for dividends after deducting \$1,199,243 for war taxes were \$4,072,390 as compared with \$4,830,415 in 1916, and equal to about 20.36 per cent. earned on the stock against approximately 24.15 per cent. in 1916.

The value of the company's pipe lines increased \$1,146,696 during the year (after depreciation, the amount of which is not indicated), the growth being due to pipe line extensions in Wyoming.

Traffic carried by the company's pipe lines since organization has been as follows:

	Runs from Wells (Barrels)	Other Receipts (Barrels)	Deliveries (Barrels)
1918 (4 mos.).....	3,071,219	211,459	3,476,752
1917.....	10,954,066	5,312,172	16,983,693
1916.....	12,578,141	13,672,789	28,956,653
1915.....	14,045,285	9,214,981	20,835,261
1914.....	17,088,736	309,600	15,080,208

Officers—President, J. Roby Penn, Jr.
 Vice-President, Ward A. Miller.
 Treasurer, J. E. Herr.
 Secretary, O. F. Moore.

Directors—J. Roby Penn, Jr., Daniel Roach, George P. Jones, and O. F. Moore, Findlay, O., Ward A. Miller, Lima, O., and M. W. Porter.

Transfer Office—Findlay, Ohio.

INDIANA PIPE LINE COMPANY

The Indiana Pipe Line Company was incorporated March 19, 1891, under the laws of Indiana.

Capital Stock—The capital stock is \$5,000,000. Par value, \$50.

Dividends—Since the dissolution, dividends have been declared payable as follows:

1918—May 15	6%	\$300,000	1915—Feb 12	4%	\$200,000
Feb 15	10%	500,000	1914—Nov 14	5%	250,000
1917—Nov 15	6%	300,000	Aug 14	6%	300,000
Aug 15	4%	200,000	May 15	8%	400,000
May 15	4%	200,000	Feb 14	8%	400,000
Feb 15	6%	300,000	1913—Nov 15	8%	400,000
1916—Nov 15	4%	200,000	Aug 15	8%	400,000
Aug 15	4%	200,000	May 15	8%	400,000
May 15	4%	200,000	Feb 15	8%	400,000
Feb 15	4%	200,000	1912—Nov 15	8%	400,000
1915—Nov 15	4%	200,000	Aug 15	6%	300,000
Aug 14	4%	200,000	May 15	6%	300,000
May 15	4%	200,000			
Total Dividends since Dissolution.....					\$7,350,000

Properties—The Indiana pipe lines comprise an important link in an extensive system, consisting of the properties of three pipe line companies, serving the Lima-Indiana oil fields. The company owns complete gathering lines and collects direct from the wells all oil produced in the State of Indiana. Its importance, however, depends upon its trunk lines, which carry Mid-Continent oil destined for Canada or that goes to the Atlantic seaboard on the Northern route.

The company's main trunk line extends from Whiting, Indiana, to the Ohio State Line, via Kanakee, Laketon and Preble, Indiana, a distance of about 127.5 miles, the system consisting of two 8-inch lines and one 8-inch loop to each of the four divisions.

A majority of the collecting lines center at Montpelier, Indiana, from which point they extend to Broad Ripple, near Indianapolis, a distance of 55 miles; to Smithfield, 27 miles; to Leyton, 13 miles; to Mount Pleasant, 26 miles; to Preble, 25 miles. Other branches of the system extend from Baker to Laketon, Indiana, 19 miles; from Grant, Indiana, to Main Line, 16 miles; and from Leyton, Indiana, to Adgate, Ohio, 51 miles.

The most important branch line projects from Preble to Montpelier, where connections are made with the lines of the Ohio Oil Company.

The company has four large main line pump stations, between Griffith and Preble, and numerous branch and field lines stations. It has steel tankage capacity of 1,500,000 barrels in the field, and at Griffith, Whiting, Preble and Montpelier. At Whiting the company supplies the crude oil for Standard Oil Company Indiana's main refinery.

This pipe line system was constructed in 1889 and doubtless the depreciation during its service has been considerable. In 1911, the property, including the pipe line and telegraph equipment only, was assessed for taxation at a valuation of \$5,130,000.

It is clear that the Company must depend largely upon the trunk line business for the greater portion of its future earnings, owing to the permanent decline in production in the Indiana fields.

By virtue of their location, the Indiana pipe lines will hold the traffic from the mid-continent field, which should increase substantially during the next few years, on account of the greater demands upon the newer fields of that western section of the country.

Balance Sheet—The company's financial report for 1917 compares as follows:—

	1917	1916	Increase
Net income from all sources..	\$1,454,154	\$1,300,836	\$153,318
Dividends	*1,200,000	900,000	300,000
Carried to P. & L. Acct.	\$254,154	\$400,836	\$153,318

*Dividend paid in the first quarter of 1918 is distributed from earnings in 1917.

The Balance Sheet as of December 31, 1917, compares as follows:—

Assets:	1917	1916	Change
Pipe Line Plant.....	\$4,440,966	\$4,773,077	—\$322,111
Materials and Supplies....	36,753	36,768	— 15
Cash, Other Investments and Accounts Receivable	5,773,390	4,838,219	+ 935,171
Total Assets.....	\$10,251,109	\$9,648,064	+\$603,045
Liabilities:	1917	1916	Change
Capital Stock	\$5,000,000	\$5,000,000	.....
Accounts Payable	754,909	479,553	+\$275,356
Reserve Account for Ac- crued Depreciation	1,763,096	1,686,979	+ 76,117
Fire Insurance Reserve...	1,875	4,457	— 2,582
Profit and Loss Surplus...	2,731,229	2,477,075	+ 254,154
Total Liabilities ...	\$10,251,109	\$9,648,064	+\$603,045

The company's earnings have shown a steady growth since 1914, due to its advantageous position as the terminal line for Standard Oil Company of Indiana, which uses enormous quantities of crude oil at its Whiting, Ind., plant. The company also gets the benefit of hauling Mid-Continent crude destined for the big refinery of the Imperial Oil Company, Ltd., at Sarnia, Canada. The company was able during 1917 to increase its dividend disbursement \$300,000 and add \$659,800 to its working capital. The Book Value of the stock at the close of the year was \$77.31 a share (\$50 par), of which \$50.18 represented net cash assets.

Deliveries—Statistics of the company's traffic since the dissolution are as follows:

	Other Receipts (Barrels)	Runs (Barrels)	Deliveries (Barrels)
Total 12 months, 1912.	31,491,359	739,922	32,155,776
Total 12 months, 1913.	32,343,486	625,103	32,894,071
Total 12 months, 1914.	25,121,350	493,639	25,256,059
Total 12 months, 1915.	28,973,944	363,708	29,771,943
Total 12 months, 1916.	34,842,759	273,702	34,697,420
Total 12 months, 1917.	36,884,718	188,523	35,886,552
Total 4 months, 1918.	10,380,274	56,071	10,622,084

A review of the company's operations since the dissolution shows the following:

	Net Profits	Rate	Additions to Plant	Depreci- ation	Surplus
1917.....	\$1,454,154	29.08%	\$.....	\$76,117	\$2,731,229
1916.....	1,300,836	26.00%	38,666	179,779	2,477,075
1915.....	1,271,416	25.43%	115,991	173,265	2,076,239
1914.....	1,268,792	25.30%	61,596	345,870	1,604,822
1913.....	1,770,972	35.00%	26,432	418,154	1,486,031
1912.....	1,976,383	39.50%	.....	569,911	1,315,058

On December 31, 1906, the company's net assets were \$4.-365,744 against \$7,731,229 on December 31, 1917, showing a growth of \$3,365,485 over the period.

Directors—D. S. Bushnell, New York; A. C. Beeson, D. M. Collett, Walter C. Shields, all of Huntington, Ind.; and George E. Pifer, Montpelier, Ind.

Officers—President—D. S. Bushnell.

Vice-President—A. C. Beeson.

Secretary—George Chesebro.

Treasurer—W. A. Harris.

Transfer Office—No. 26 Broadway, New York City.

Annual Meeting—Third Thursday in March.

NATIONAL TRANSIT COMPANY

The National Transit Company was incorporated in 1861 under the laws of Pennsylvania. It was formerly a holding company for pipe line stocks, subsequently turned over to the Standard Oil Company of New Jersey.

Capital Stock—The capital stock was formerly \$25,455,150, with shares at a par value of \$50. In 1911, however, the capital stock was reduced to \$12,727,575, with par value of shares at \$25.

A further reduction of the capital to \$6,362,500 by the retirement of 103 shares and the distribution of the company's surplus by a cash dividend of \$12.50 to each share, was made in April, 1916. The new share have a par value of \$12.50 and all fractions have been eliminated.

The company also announced the segregation of its machinery business from its pipe line operations and to that end has incorporated the National Transit Pump and Machine Company, under Pennsylvania laws, with a capital of \$2,545,000. Par value \$25. All the stock with the exception of ten qualifying shares is held as an asset by the National Transit Company.

The object of this segregation was mainly to take advantage of the exemptions from taxation on capital invested in manufacturing in the State of Pennsylvania and also to

keep its pipe line accounting, which is subject to the scrutiny of the Interstate Commerce Commission, free from other sources of revenue.

The company's industrial plant, which now operates as a separate unit has been greatly increased in the last year and now represents an investment of \$2,500,000. It manufactures gas engines and heavy oil engines, for drilling and pumping oil wells, pumping machinery for pipe line systems and waterworks plants; pipe line tools and other oil field accessories.

An official statement to stockholders concerning the reduction in capital, says in part:—

"The revenues of the company have been largely decreased by reason of the reduction of rates for transporting oil, which became effective in August, 1914. In the judgment of the Board of Directors the present capitalization of the National Transit Company is in excess of the amount required for the business that may be done by the company at this time.

"There is no prospect of expansion of its business through development of new fields of production within the territory where it operates; therefore, it is thought well to convert such of its assets as may be necessary for the purpose into cash, and liquidate the stock of the company to the extent of 50 per cent., making the par value of the shares \$12.50, instead of \$25; and the total amount of capitalization \$6,362,500. This amount is just about equal to the present pipe line investment, less depreciation."

Dividends—Since the dissolution, dividends have been declared as follows:

1918—Jun 15	4%	\$254,500	1914—Jun 15	3%	\$381,827
1917—Dec 15	4%	254,500	Mar 15	3%	381,827
Jun 15	4%	254,500	1913—Dec 15	3%	381,827
1916—Dec 15	4%	254,500	Sep 15	3%	381,827
Apr 1	50%	6,363,786	Jun 15	3%	381,827
1915—Dec 15	2%	254,551	Mar 15	3%	381,827
Sep 15	2%	254,551	1912—Dec 15	3%	381,827
Jun 15	2%	254,551	Sep 15	3%	381,827
Mar 15	2%	254,551	Jun 15	3%	381,827
1914—Dec 15	3%	381,827	Mar 15	3%	381,827
Sep 15	3%	381,827			

Total Dividends since the Dissolution..... \$12,981,914

Properties—Owns about 1,300 miles of pipe line in the State of Pennsylvania, of which 555 miles are trunk lines and 745 miles gathering lines. The trunk lines extend from Nedsky, Allegheny County, where connection is made with three branches of the Southwest Pennsylvania Pipe Line Company, and extend in a northeasterly direction to the New York State line near Rixford, where connection is made with the New York Transit Company. Those lines aggregate 205 miles. The eastern lines start at Colegrove, where the oil is received from the Northern Pipe Line, and extend from Milway, a distance of 175 miles. From Milway three lines branch out, one extending to Fawn Grove, 35 miles; one to Atlantic Refining, Point Breeze, 70 miles; one to Centerbridge, 70 miles. The eastern lines aggregate about 350 miles. The gathering lines are located in western Pennsylvania, and carry about twelve per cent. of the total traffic. The bulk of the Company's traffic is long haul.

The source of the Company's local traffic is the Pennsylvania oil region, from which it supplies refineries at Olean, Pittsburgh and Franklin. It receives mid-continent oil at

the Pennsylvania border from the Buckeye Pipe Line and at its great pumping station at Bear Creek, Pa., acts as a transfer agent, switching Pennsylvania and western oil over other trunk lines to the Atlantic seaboard.

The National Transit Pump and Machine Company, which formerly confined its activities to pipe line machinery has entered the the general commercial field and has established branch offices at New York, Philadelphia, Chicago and San Francisco. The company has doubled the capacity of its plant, as well as its mechanical force, and now employs more than 1,500 men in its Oil City shops. The company's product includes practically every device connected with pumping powers, from pipe line tools and fittings and pumps of the smallest powers to the immense machines turned out for municipal water works, mines, office buildings and factories, marine service or pipe line pumping stations.

The financial statement of the company for December 31, 1917, compares as follows:

	1917	1916
Net Earnings	\$820,405	\$1,208,891
Dividends	509,000	254,500
Other Disbursements	2,510	110
Surplus	\$308,895	\$954,281
Assets:	1917	1916
Pipe Line Plant.....	\$8,137,442	\$8,160,823
Other Investments	4,404,802	3,590,135
Cash	523,404	333,852
Accounts Receivable	174,225	976,378
Deferred Assets	38,363	37,359
Unadjusted Debits	178,776	13,330
Total Assets	\$13,457,012	\$13,111,877
Liabilities:		
Capital Stock	\$6,362,500	\$6,362,500
Current Liabilities	336,371	730,225
Accrued Depreciation	2,630,057	2,203,109
Unadjusted Credits	449,891	446,745
Surplus	3,678,193	3,369,298
Total Liabilities	\$13,457,012	\$13,111,877

Net earnings for 1917 after war taxes were at the rate of 12.7 per cent. on \$6,362,500 stock outstanding, compared with 19 per cent. in the previous year and 8.05 per cent. in 1915 on \$12,727,575 stock outstanding in that year. The Book Value of the stock has increased to \$19.73 a share as compared with \$19.11 a share at the close of 1916.

Reviewing the operations of the company since the dissolution affords the following comparison:

	Net Profits	Rate	Depreciation	Surplus
1917.....	\$820,405	12.70%	\$426,948	\$3,678,193
1916.....	1,208,891	*19.00%	429,607	3,369,298
1915.....	1,024,631	8.05%	†1,773,502	2,415,017
1914.....	1,482,187	11.60%	.....	2,408,592
1913.....	2,315,556	18.00%	.....	2,453,715
1912.....	1,909,806	15.00%	.....	1,665,466

*After 50 per cent. reduction in capital.

†Accrued depreciation from Dec. 31, 1911.

Traffic—The company's traffic in recent years is set forth as follows:—

	Other Receipts (Barrels)	Runs (Barrels)	Deliveries (Barrels)
Total 4 months, 1918.	5,609,002	752,654	6,373,120
Total 12 months, 1917.	17,867,886	2,523,010	20,375,452
Total 12 months, 1916.	18,962,962	2,577,165	21,702,953
Total 12 months, 1915.	16,624,242	2,695,140	19,411,408
Total 12 months, 1914.	16,451,353	2,722,515	18,956,586
Total 12 months, 1913.	20,957,987	2,707,525	23,526,265
Total 12 months, 1912.	21,502,500	2,939,549	24,687,692

Officers—President—W. V. Miller.

Vice-President—R. Huyck.

Secretary—E. R. Ball.

Assistant Secretary—R. C. Lay.

Treasurer—C. H. Lay.

Assistant Treasurer—D. R. Mackenzie.

Transfer Office—No. 206 Seneca Street, Oil City, Penna.

Annual Meeting—First Monday in May.

NEW YORK TRANSIT COMPANY

The New York Transit Company was incorporated January 18, 1893, under the laws of New York State. The Company purchased from the National Transit Company, at the time of organization, the line from the New York State line through Olean to the New Jersey border and seaboard; also the line from Olean northwest to Buffalo and gathering lines in New York State.

Capital Stock—The capital stock is \$5,000,000. Par value, \$100.

Dividends—Since the dissolution, dividends have been paid as follows:—

1918—Apr 15	8%	\$400,000	1915—Jan 15	5%	\$250,000
Jan 15	6%	300,000	1914—Oct 15	6%	300,000
1917—Oct 15	6%	300,000	Jul 15	8%	400,000
Jul 14	4%	200,000	Apr 15	10%	500,000
Apr 14	4%	200,000	Jan 15	10%	500,000
Jan 15	6%	300,000	1913—Oct 15	10%	500,000
1916—Oct 15	4%	200,000	Jul 15	10%	500,000
Jul 15	4%	200,000	Apr 15	10%	500,000
Apr 15	4%	200,000	Jan 15	10%	500,000
Jan 15	4%	200,000	1912—Oct 15	10%	500,000
1915—Oct 15	4%	200,000	Jul 15	10%	500,000
Jul 15	4%	200,000	Apr 15	10%	500,000
Apr 15	4%	200,000			

Total Dividends since the dissolution..... \$8,550,000

Properties—The company owns and operates its main trunk line, about 300 miles in length, extending from Olean, N. Y., to Unionville, N. Y., where oil is transferred to what was formerly a private pipe line of the Standard Oil Company of New Jersey running from Unionville to Bayonne, N. J. An off-shoot of this line at Weehawken, N. J., crosses under the Hudson River, New York City and the East River to deliver oil to the Standard Oil of New York refineries in Long Island City and Brooklyn. These lines of the Standard Oil Company of New Jersey were purchased late in 1915 by the New York Transit Company and are now operated as part of its system. A branch line, 56 miles in length, runs from Olean, N. Y., to Buffalo. The main trunk line is a triple six-inch line capable of handling 45,000 barrels a day.

New York Transit is assured a heavy and profitable traffic at all times, since it supplies large refineries of the Standard

Oil of New York at Long Island City and Buffalo, and the refinery at Bayonne of the Standard Oil Company of New Jersey. The company owns about one-third of the tankage at Olean, N. Y., which is one of the largest storage points in the United States.

The financial statement of this company for 1917 compared with that of the previous year, is as follows:

	1917	1916	Increase
Net Profits	\$1,461,618	\$1,339,121	\$122,497
Dividends	1,000,000	900,000	100,000

Surplus	461,618	\$439,121	\$22,497
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The above earnings are equal to 29.23 per cent. in 1917 on \$5,000,000 capital stock compared with 26.78 per cent. in 1916 and 16.27 per cent. in 1915.

The Balance Sheet as of December 31, 1917, compares as follows:—

Assets:	1917	1916	Change
Pipe Line Plant.....	\$6,689,235	\$6,683,336	+ \$5,899
Materials and Supplies....	212,080	77,789	+ 134,291
Cash, Other Investments and Accounts Receivable	6,023,518	5,684,896	+ 338,622
Total Assets	\$12,924,833	\$12,446,021	+\$478,812
Liabilities:	1917	1916	Change
Capital Stock	\$5,000,000	\$5,000,000	.....
Accounts Payable	656,489	669,347	— \$12,858
Reserve Account for Ac- crued Depreciation	1,256,383	1,228,477	+ 27,906
Fire Insurance Reserve...	12,392	10,247	+ 2,145
Profit and Loss.....	5,999,569	5,537,950	+ 461,619
Total Liabilities ...	\$12,924,833	\$12,446,021	+\$478,812

Although the company traffic expanded very little in 1917, it was able to increase its earnings substantially through operating economies resulting from its acquisition of short line dividends would be \$24.66. A holder of one share of Ohio N. Y., during 1916. Earnings were practically \$13 a share more than before acquisition of these lines. As a result the company increased its 1917 dividends to \$20 a share and will be able to pay liberally during 1918. The Book Value has advanced to \$220 a share of which \$107.34 represents net cash assets.

Traffic—Operations Since the dissolution follows:

	Other Receipts (Barrels)	Runs (Barrels)	Deliveries (Barrels)
Total 12 months, 1912.	14,450,160	182,291	15,134,912
Total 12 months, 1913.	14,762,156	196,510	15,443,721
Total 12 months, 1914.	11,444,816	203,857	11,625,445
Total 12 months, 1915.	11,054,733	185,411	11,069,067
Total 12 months, 1917.	14,492,490	168,012	15,074,107
Total 4 months, 1918.	5,166,613	48,285	5,479,636

The company's growth and earnings for the past six years are shown as follows:

	Earnings	Rate	Plant Additions	Depreci- ation	Surplus
1917.....	\$1,461,618	29.23%	\$5,899	\$27,906	\$5,999,569
1916.....	1,399,121	26.78%	22,223	55,373	5,537,950
1915.....	813,729	16.27%	1,479,032	78,678	5,202,434
1914.....	1,434,741	28.06%	1,797	101,402	5,085,100
1913.....	2,070,495	41.50%	129,233	419,433	5,100,359
1912.....	2,420,211	48.40%	.....	573,590	5,029,864

Directors—D. S. Bushnell, George Chesebro, W. A. Harris, J. R. Fast, New York City; George H. Cobb, A. J. McClatchey, H. R. Rowe, Binghamton, N. Y.

Officers—President—D. S. Bushnell.

Vice-President—George H. Cobb.

Secretary—George Chesebro.

Treasurer—W. A. Harris.

Transfer Office—No. 26 Broadway, New York City.

Annual Meeting—Last Tuesday in January.

NORTHERN PIPE LINE COMPANY

The Northern Pipe Line Company was incorporated July 8, 1889, under the laws of Pennsylvania.

Capital Stock—The capital stock was \$1,000,000, but in 1906 this was increased to \$4,000,000. Par value, \$100.

Dividends—Since the dissolution, dividends have been paid as follows:

1918—Jul 1	5%	\$200,000	1915—Jan 2	5%	\$200,000
Jan 3	9%	\$360,000	1914—Jul 1	5%	200,000
1917—Jul 2	5%	200,000	Jan 2	5%	200,000
Jan 5	5%	200,000	1913—Jul 1	5%	200,000
1916—Jul 1	5%	200,000	Jan 2	5%	200,000
Jan 2	5%	200,000	1912—Jul 1	5%	200,000
1915—Jul 1	5%	200,000			

Total Dividends since the Dissolution..... \$2,760,000

Properties—The company owns a trunk pipe line system 227 miles in length, embracing a total of 525 miles of 5, 6 and 8 inch pipe. The line extends from the western border of Pennsylvania, near the northern border of Lawrence County, where it receives the oil from the Buckeye Pipe Line Company.

The line from that point extends east to Bear Creek, Clarion County, and then extends northeast to Colegrove, McKean County, where a connection is made with the eastern branch of the National Transit Line, and all oil handled by that branch of the Transit Company is secured from the Northern Pipe Line. From this point the line then extends north to Olean, N. Y., where it connects with the New York Transit lines.

The company's traffic has had a steady growth and its permanency is practically assured. It has no gathering lines.

The financial statement of this company for 1917 compared with that of the previous year is as follows:

	1917	1916	Increase
Net Profits	\$629,963	\$600,898	\$29,065
Dividends	560,000	400,000	160,000
Surplus	\$69,963	\$200,898	*\$130,935

*Decrease.

Net profits were equal to 15.74 per cent. in 1917 on the company's \$4,000,000 capital stock, compared with 15.02 per cent. in 1916 and 10.71 per cent. in 1915.

The Balance Sheet as of December 31, 1917, compares as follows:—

Assets:	1917	1916	Change
Pipe Line Plant.....	\$2,957,862	\$2,977,254	— \$19,392
Materials and Supplies...	9,651	8,696	+ 955
Cash, Other Investments and Accounts Receivable	3,236,776	2,872,152	+ 364,624
Total Assets.....	\$6,204,290	\$5,858,102	+ \$346,188

Liabilities:	1917	1916	Change
Capital Stock	\$4,000,000	\$4,000,000	.....
Accounts Payable	411,322	206,886	+\$204,436
Reserve for Depreciation.	1,007,846	943,611	+ 64,235
Fire Insurance Reserve...	13,473	5,921	+ 7,552
Profit and Loss.....	771,647	701,684	+ 69,963
Total Liabilities....	\$6,204,290	\$5,858,102	+\$346,188

The company's business shows a steady increase and as a result, it was able to increase its dividend to \$14 a share and add to its cash assets. The Book Value of the stock increased to \$119 a share of which \$70.63 represents net cash assets.

The progress of the company since the dissolution is shown comparatively as follows:

	Earnings	Rate	Plant Account	Depreciation	Surplus
1917.....	\$629,963	15.74%	*\$19,392	\$64,235	\$771,647
1916.....	600,898	15.02%	*4,032	69,733	701,684
1915.....	428,433	10.71%	.....	80,831	500,786
1914.....	421,981	10.55%	*14,501	243,567	472,352
1913.....	707,205	17.68%	*32,084	269,703	450,371
1912.....	434,822	10.87%	.....	279,777	143,096

*Decrease after depreciation.

On December 31, 1906, the company's net assets were \$4,005,513 against net assets of \$4,771,647 on Dec. 31, 1917.

Traffic over these lines since the dissolution has been as follows:

	Receipts (Barrels)	Deliveries (Barrels)
1918 (4 mos).....	6,644,198	6,774,030
1917.....	17,106,608	17,406,378
1916.....	15,981,603	15,964,488
1915.....	14,802,169	11,766,651
1914.....	12,944,018	13,962,857
1913.....	17,627,342	17,574,819
1912.....	14,733,351	15,815,364

Directors—D. S. Bushnell, New York; D. M. Sachs, L. Z. Duncan, F. G. Boyer, all of Oil City, Pa.; B. A. Towl, New York.

Officers—President—D. S. Bushnell, 26 Broadway, N. Y.
V.-P. & Gen. Mgr.—D. M. Sachs, Oil City, Pa.
Secretary—George Chesebro, 26 Broadway, N. Y.
Treasurer—W. A. Harris, 26 Broadway, N. Y.

Transfer Office—26 Broadway, New York City.

Corporate Office—Oil City, Penna. Annual Meeting, Third Thursday in January.

THE OHIO OIL COMPANY

The Ohio Oil Company was incorporated in 1887 under the laws of Ohio. It is now only a producer and marketer of crude oil, having divorced its extensive transportation system.

Capital Stock—The capital stock was \$2,000,000, but it was increased to \$10,000,000 and then to \$15,000,000, the present capitalization. Par value, \$25.

On January 31, 1917, the stockholders voted approval of an increase in capitalization to \$60,000,000, whereupon the directors voted a stock dividend of \$75 a share to be paid

March 20, 1917, to stock of record February 15. The company's intention was to exchange one share of \$100 par value for each of the outstanding 600,000 shares of \$25 par value, but the Attorney General of Ohio ruled that the capital stock of an Ohio company cannot be increased by raising the par value of shares. The company issued notice to this effect on March 20, 1917, adding that "the directors have not determined what further action, if any, will be taken in the matter."

Dividends—Since dissolution the dividend record of the company has been as follows:

1918—Jun 20	24%	\$3,600,000	1915—Feb 2	133 1-3%	Stk.D.
Mar 20	24%	3,600,000	1914—Dec 19	8%	\$1,200,000
1917—Dec 20	24%	3,600,000	Sep 21	5%	750,000
Sep 20	24%	3,600,000	Jun 20	8%	1,200,000
Jun 20	24%	3,600,000	Mar 20	8%	1,200,000
Mar 20	24%	3,600,000	1913—Dec 20	32%	4,800,000
1916—Dec 20	20%	3,000,000	Sep 20	8%	1,200,000
Sep 20	24%	3,600,000	Jun 20	8%	1,200,000
Jun 20	24%	3,600,000	Mar 20	9%	1,350,000
Mar 24	24%	3,600,000	1912—Dec 20	5%	750,000
1915—Dec 20	24%	3,600,000	Sep 20	5%	750,000
Sep 20	8%	1,200,000	Jun 20	5%	750,000
Jun 21	8%	1,200,000	Mar 20	5%	750,000
Mar 20	10%	1,500,000			

Total Dividends since the Dissolution..... \$58,800,000

The dividend record of this company has been the most remarkable of any company in the group. In the six years and six months since the dissolution, each shareholder has received 392 per cent. on \$25 par value or \$98, and in addition one-third of a share of Illinois Pipe Line Company stock of \$100 par value. The dividends paid on this stock since 1915 aggregate 74 per cent., so that the fractional share of pipe line dividends would be \$24.66. A holder of one share of Ohio Oil Company stock at the time of the dissolution would have received up to this time cash dividends of \$122.66, or an average of \$18.87 a year.

On December 21, 1914, the stockholders ratified a proposition to turn over the company's trunk and gathering pipe line systems, with the equipment belonging thereto in Illinois, Indiana, Ohio and Pennsylvania, to a newly formed corporation, known as the Illinois Pipe Line Company, and receive in return that company's \$20,000,000 capital stock. As there were 200,000 shares, \$100 par value, of pipe line stock to be distributed among 600,000 shares, \$25 par value, of Ohio Oil Company stock, the directors declared a 133 1-3 per cent. dividend, payable on and after February 1, 1915, in Illinois Pipe Line stock to Ohio Oil Company stockholders of record January 2, 1915.

Properties—The company controls extensive tracts of oil lands in Ohio, Indiana, Illinois, Wyoming and Kansas. It ranks with the largest individual producers of crude oil among the former subsidiary companies of Standard Oil. The company's producing wells yield three-fourths of the production from the Illinois and Indiana fields.

The company has taken a leading part in the development of the new oil fields of Wyoming and Montana, which experts declare will prove the country's greatest basin of high grade oil. Its first investment was in the Grass Creek Field, north of Thermopolis, Wyo., where it now has about 6,000 barrels of

daily production and is transporting oil through the Illinois Pipe Line Company's lines to Chatham, where the oil is loaded on tank cars and shipped to Casper, Wyo. Further north the company purchased during 1916, an extensive tract in the Torchlight Dome from the Valentine interests. In the Elk Basin district, which runs north and south of the Wyoming-Montana state line, the company has extensive holdings and has proven up the territory by bringing in a number of wells, two of which are in Montana. The oil from this section is handled by the Illinois Pipe Line, which has a pumping station and a short 3-inch line to Frannie, Wyo.

Late in 1916, the company purchased for \$500,000 a half interest from the Merritt Oil Corporation in a 500 acre tract in the heart of the Big Muddy field, eighteen miles east of Casper, Wyo., on which they now have production. The company has acquired additional acreage in the Big Muddy field, which is regarded as one of the most prolific pools of high grade oil developed during 1916. The company is thoroughly entrenched in every developed section of the Wyoming fields. In October, 1916, the United States Court of Appeals rendered a decision confirming its title to 6,000 acres in the Grass Creek field, Wyoming, which the Government had tried to seize under the Land Withdrawal Act.

Recently the company has made a contract to deliver 1,000,000 barrels of its Wyoming production to the new refinery of the Imperial Oil Company at Regina, B. C.

The company has an extensive field organization in Wyoming, consisting of geologists, engineers and drilling experts, and is pushing active development work in practically every important oil district in the state.

In September, 1916, the company entered the new Kansas fields by purchasing the Mid-Kansas Oil and Gas Company properties in the Augusta pool, covering 7,000 acres with twenty producing wells.

The company's balance sheet as of December 31, 1917, compares with the previous years as follows:

Assets:	1917	1916	Increase
Property Account.....	\$17,303,763	\$16,922,132	\$381,631
Cash, Accts. Rec., Mdse, etc.	68,180,479	65,851,085	2,329,394
Total Assets.....	\$85,484,242	\$82,773,218	\$2,711,024
Liabilities:			
Capital Stock.....	\$15,000,000	\$15,000,000	.....
Accounts Payable, etc.....	4,533,493	926,297	\$3,607,196
Surplus	65,950,749	66,846,921	896,172
Total Liabilities....	\$85,484,242	\$82,773,218	\$2,711,024

*Decrease.

A comparison of the balance sheets indicates net earnings for 1917, after allowing for Federal taxes, of \$13,503,828, equivalent to 90.02 per cent., compared with net earnings in 1916, with no allowance for war taxes, of \$14,835,178, equivalent to 98.9 per cent. Profit and loss surplus decreased \$896,172 after payment of \$14,400,000 in dividends. The balance sheet does not disclose the amount reserved for taxes, but accounts payable, including tax liability, show an increase of \$3,607,196.

Reviewing the operations of the company since the dissolution affords the following comparison:

Indicated Earnings	Rate	Additions to Production Properties After		
		Dividends	Depreciation	Surplus
1917.. *\$13,503,828	90.02%	\$14,400,000	\$381,631	\$65,950,749
1916.. 14,835,178	98.9%	13,800,000	612,000	66,846,921
1915.. 16,621,920	110.8%	7,500,000	1,166,650	†65,811,743
1914.. 9,720,354	64.8%	4,350,000	‡1,673,320	68,849,427
1913.. 22,803,661	152.0%	8,550,000	1,461,384	63,479,073
1912.. .....	.....	3,000,000	.....	49,225,412

*After War Taxes.

†After disposing of its pipe line properties carried at \$12,-159,604 to the Illinois Pipe Line Company. ‡Decrease.

Officers—President—J. C. Donnell.

Vice-President—J. K. Kerr and O. D. Donnell.

Secretary—F. E. Hurley.

Treasurer—J. L. Cook.

Directors—J. C. Donnell, O. D. Donnell, R. J. Berry and F. E. Hurley of Findlay, Ohio, and J. K. Kerr, Marshall, Ill.

Transfer Agent—W. B. Filson, Findlay, Ohio.

Annual Meeting—Thursday following fourth Wednesday in May.

PENN-MEX. FUEL COMPANY

Incorporated in Delaware in 1912 with a capital stock of \$10,000,000. Par value, \$25.00.

Fifty-one per cent. of the stock is owned by the South Penn Oil Company, one of the leading oil producing companies of the world, which has assumed active control of the field operations.

Properties—The company controls nearly 300,000 acres of leases and lands held in fee in the principal producing sections in the State of Vera Cruz, Mexico, which are rated among the best in that country. Its principal producing area is in the Alamo field, which lies about twelve miles south and a little west of the famous Potreró del Llano well of the Mexican Eagle Company. This tract of 93,000 acres stretches for twenty-three miles along the south bank of the Tuxpam River.

The company also has producing wells in the Panuco and Chijol fields in the northern section of the State adjacent to the Panuco River.

Production—The company has a production of more than 110,000 barrels daily, all under control. An official description of its producing properties is given in the president's annual report, herewith appended.

Pipe Lines—The company has built twenty-eight miles of eight-inch lines, which is paralleled by a six-inch water line and three pumping stations. These stations known as the initial, intermediate and terminal, are about sixteen miles apart. The engines pump under 800 to 900 pounds pressure and as the oil is heavy, two National Transit California type oil heaters are included in the equipment. These are operated by the exhaust steam from the big pumping engines. The pipe line extends from the Alamo field to Tuxpam Bar, where the company has an extensive storage plant and sea-loading terminals. These sea-loading facilities, which have a delivery capacity of 1,800 to 2,500 barrels per hour, can load four tankers at one time. Owing to quick tide changes it is necessary to load with great rapidity. The present nor-

mal capacity of the pipe line is 40,000 barrels per day, which can be raised to 60,000 barrels under pressure. The entire pipe line and pumping station system was installed by the National Transit Company and is thoroughly up-to-date. The machinery and pumping equipment connected with the pipe line system represents an investment of more than \$1,000,000. The company also has fourteen miles of narrow gauge railroad from Zapotal, at the head of navigation of the Tuxpam River to the Alamo fields. There is a machine shop and storage station at Zapotal.

Traffic—The company's production and shipments for the last three years as follows:

	Production	Shipments	Tankage
1917.....	3,963,636	3,815,078	850,000
*1916.....	3,493,276	3,353,489	644,435
1915.....	3,666,405	3,073,176	.....

*Figures for 1916 are for eleven months, as no oil was produced or shipped during July, 1916, because of the forced exodus of Americans from Mexico.

The company's financial statement for year 1917, is as follows:

Income:—

Oil Earnings, Gross.....	\$1,664,610.50
Less Royalty Oil Purchased.....	67,770.19

\$1,596,840.31

Gasolene Earnings	3,761.94
Interest Earnings	3,899.63
Miscellaneous Earnings	2,250.51

Total Gross Income..... \$1,606,752.39

Deduct:—

General and Operating Expenses.....	\$557,433.13
Exportation Taxes	285,213.59
Interest on Indebtedness.....	127,741.66
Depreciation	247,306.11

\$1,217,696.49

Net Loss through P. and L. Susp..... 158,996.99

\$1,376,693.48

Net Income, Year 1917..... 230,058.91

Add:—

Surplus December 31, 1916..... 330,589.12

Net Surplus December 31, 1917..... \$560,648.03

The Balance Sheet of the company as of December 31, 1917, follows:—

Assets

Properties:—

Oil Wells and Development.....	1,133,004.76
Pipe Lines and Storage System..	1,518,125.28
Railroad, Launches & Telephones	147,441.92
Machine Shop and Saw Mill.....	40,688.06
Terminal Bldgs., Wharf, etc....	51,844.62
Camp Bldgs. and Equipment...	44,153.26
Horses, Wagons and Automobiles	15,518.69
Gasolene Plant	11,303.09
Farm and Garden Implements...	4,437.14

\$12,170,695.77

Less Reserve for Depreciation... 650,533.86

\$11,520,161.91

Stock Owned and Advances:—

Penn Fuel Company stock.....	5,000.00	
Adv. to Penn Fuel L. & T. Co....	30,293.80	
		35,293.80

Current Assets:—

Cash	\$84,467.22	
Accounts Receivable	404,661.84	
Crude Oil in Tanks.....	255,533.52	
Material and Supplies.....	322,003.40	
		1,066,665.98

Total Assets	\$12,622,121.69
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Liabilities

Capital Stock	\$10,000,000.00
Notes Payable (South Penn Oil Company).....	2,000,000.00
Accounts Payable	61,473.66
Surplus (Invested in Plant).....	560,648.03

Total Liabilities	\$12,622,121.69
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The president, Joseph C. Trees, in a lengthy statement to the shareholders, said:

"In submitting a report of the affairs of your company during the year 1917, we regret to say that results from the point of earnings have not been up to what we hoped for. This is due to the very abnormal condition that exists in the shipping situation, the labor situation and the revolutionary condition generally in Mexico.

"However, results from development work have been very satisfactory, the following being the important results:

"The first well completed during the year was Alamo No. 6, which, on a second test, showed a production of about 4,500 barrels, of which about 25 per cent. was sediment.

"Along the latter part of August, Alamo No. 2 began to emit shale which gradually increased until the 29th, when she bridged completely, thus shutting off production. A new wood rig was erected, and on October 29th, the tools were run in and the bridge successfully broken. Since that time the production from No. 2 has reached 22,000 barrels daily, with the gate valve open one and one-quarter turn.

"When Alamo No. 2 ceased producing Alamo No. 7 was located 200 feet from No. 2 and drilling rushed with all possible speed to December 3, when drilling was stopped at a depth of 2,147 feet, or 10 feet less than No. 2. A few days later a test of the output was made and it showed 11,170 barrels during 24 hours, without affecting in the slightest degrees the pressure guage or production of No. 2 which, at this time, was 21,000 barrels.

"Perez No. 1, in the Panuco District, was completed and two guages of its production was taken, the first showing about 45,000 barrels and the second about 43,000 barrels daily.

"Moline No. 2 was drilled to a depth of about 2,700 feet, or about 350 feet below where a geologist said production should be encountered, and the well came in showing a production conservatively estimated at 40,000 to 45,000 barrels daily.

"This production of more than 110,000 barrels per day is all under perfect control.

"No additional acreage was acquired during the year for the reason that the promulgation of the new constitution in Mexico, and the many decrees emanating therefrom, made it extremely hazardous to attempt the transfer of titles.

"Exportation taxes jumped from .044c per barrel in January, 1917, to .103c per barrel in December, 1917.

"A note of \$250,000 was paid during the year, thus reducing the debt that amount.

"The year's shipments amounted to 3,815,078 barrels, with a gradual falling off toward the last of the year due to the great number of tank ships being engaged in Government work.

"Your production is all shut in with the exception of Alamo No. 2, which was curtailed to about 7,000 barrels per day during December, but later opened to about 10,000 barrels, or just enough to keep your stocks up to 850,000 barrels."

Officers—J. C. Trees, President.

L. W. Young, Jr., Vice-President.

E. E. Crocker, Vice-President.

H. C. Reeser, Secretary.

F. J. Huffman, Treasurer.

H. M. Krimbill, Assistant Treasurer.

Levi Smith, General Manager.

Directors—M. L. Benedum, G. W. Crawford, E. E. Crocker, R. W. Cummins, J. G. Gray, F. J. Huffman, J. C. McKinney, J. C. Trees, L. W. Young, Jr.

Transfer Office—Farmers' Deposit National Bank Bldg., Pittsburgh, Pa.

PIERCE OIL CORPORATION

Incorporated in Virginia in June, 1913, to take over the assets and business of the Waters Pierce Oil Company (established in St. Louis, Missouri, in 1855) and the Pierce Fordyce Oil Association (established in 1910 to take over the business in Texas of the Waters Pierce Oil Company).

Capitalization—	Authorized	Outstanding	Par
Common Stock	\$33,000,000	\$17,485,750	\$25
10-Year Gold Debenture, 6c.	10,000,000	9,523,000	...
5-Year-6% Conv. Gold Notes	2,000,000	2,000,000	...

Interest January and June, payable at Ladenburg, Thalmann & Company, New York.

Stockholders met December 23, 1915, and ratified an increase of the capital stock from \$30,000,000 to \$33,000,000 and authorized a further issue of \$2,000,000 five-year- six per cent. gold notes, convertible into common stock at 20 at the option of the holder and redeemable at par after eighteen months. The notes were underwritten by Hayden, Stone & Company and Ladenburg, Thalmann & Company.

At the time of incorporation provision was made for \$15,000,000 preferred and \$15,000,000 common, each \$100 par. \$10,500,000 of common was issued and the preferred stock was trusted as security for an issue of \$8,000,000 one year six per cent. gold notes. From the proceeds of the sale of these notes, the \$400,000 capital stock of the Waters Pierce Oil Company was acquired on a basis of \$1,250 in cash and \$2625 of new stock for each share of Waters Pierce stock. fractional shares being taken up pro rata.

On June 25, 1914, the stockholders voted to make the capitalization \$30,000,000 all common stock of a par value of \$25, and authorized an issue of \$10,000,000 ten year, six per cent. convertible gold debentures.

Of the new stock, \$10,500,000 was exchanged for the outstanding common stock; \$10,000,000 is reserved for issue under the debenture agreement; \$3,100,000 of stock was set

aside to sell for cash for capital expenditures in the extension of the company's business and \$6,400,000 was reserved to acquire new properties or shares in any corporation or association, which means the Pierce Fordyce Oil Association, when permission to do so is obtained from the State of Texas. Meanwhile as the corporation holds 90 per cent. of outstanding Pierce Fordyce certificates, it controls the business of that company and has deposited the certificates as additional security for its \$10,000,000 gold notes.

The sale of the new \$10,000,000 debenture issue provided funds for the retirement of the \$8,000,000 gold notes and cleared the way for the cancellation of the company's preferred stock.

In December, 1917, the company obtained a license to transact business in the State of Texas, and on December 31, 1917, acquired by purchase 32,378 shares of a total of 36,023 shares of Beneficial Interest of the Pierce-Fordyce Oil Association, the remaining 3,645 shares having since been practically acquired.

Business—The corporation constitutes a complete cycle in the oil industry, being engaged in the producing, transporting, refining and marketing of petroleum products. Its position is strongly entrenched as previous to the dissolution, it controlled the marketing business of the Standard Oil Company in the Southwestern States and Mexico, where it was engaged in the oil business many years before any other oil companies entered the Mexican field.

Producing Properties—One hundred and twenty-nine thousand acres of oil lands in Oklahoma, Arkansas and Mexico, owned in fee or lease and estimated to contain sufficient oil to supply the requirements of the refineries for more than twenty-five years. Included in these holdings are leases in the Cushing and Morris Fields in Oklahoma, adjacent to the company's newest refinery and 10,000 acres in the Panuco field, adjacent to the company's refinery at Tampico, Mexico.

Transportation Properties—The company operates its own pipe lines from its producing properties to its refinery in Oklahoma and has pipe line connections between its producing field in Mexico and the Panuco River, whence it barges its oil to the Tampico refinery. The company also has three tank steamships, numerous oil barges and tugs, and also owns and operates 1,389 tank cars.

The company expended approximately \$2,000,000 on the construction of 100 miles of eight-inch pipe line from the Healdton field to its Fort Worth refinery.

Refinery Properties—Five refineries of modern construction located at Fort Worth and Texas City, Texas; Sands Springs, Oklahoma; Tampico and Vera Cruz, Mexico. The combined daily charging capacity of these refineries is 26,500 barrels of crude oil.

The company has a long time contract with the Magnolia Pipe Line to supply crude oil to its Texas refineries, while its Sands Springs refinery is connected directly with Cushing production through the company's own pipe line.

Marketing Properties—The combined companies have 1,122 main distributing stations, through which they distribute their product in more than 17,000 cities and towns. Nearly all of the distributing stations are on freehold property owned by the corporation and comprise brick, stone and iron built warehouses and offices. The company markets gasoline, naphthas, lubricating oils, greases, wax, cotton seed oil, linseed oil, turpentine, soap, oil lamps, stoves and all appliances and accessories for the use of petroleum.

Earnings—Combined Comparative Income Account of
Pierce Oil Corporation and Pierce-Fordyce Oil Association
for years ending December 31, 1917 and 1916:

Trading Profits (sales, less producing and market expenses):		1917	1916
United States		\$3,197,721	\$2,960,888
Mexico		757,050	676,621
		<u>\$3,954,771</u>	<u>\$3,637,509</u>
Other Income:			
Interest Earned Etc.....		\$128,557	\$125,750
Flood Loss Reserve Restored.....		25,715	.....
		<u>\$4,109,043</u>	<u>\$3,763,259</u>
Deduct—Income Charges:			
Interest on Floating Indebtedness...		\$280,469	\$146,742
Bad Debts		109,308	95,989
Other Income Charges.....		262,655	191,711
		<u>\$652,432</u>	<u>\$433,542</u>
		<u>\$3,456,611</u>	<u>\$3,329,717</u>
Deduct—Profit and Loss Charges:			
Interest on Debentures & Gold Notes		\$717,968	\$733,103
Depreciation of Capital and Working Assets, Including Depletion of Oil Leases ..		933,445	91,304
Estimated Federal Taxes.....		180,000	54,234
Federal Taxes of Previous Years, Ad- justed in 1917.....		15,709	.....
		<u>\$1,847,122</u>	<u>\$878,641</u>
		<u>\$1,609,489</u>	<u>\$2,451,076</u>

Consolidated Balance Sheet for 1917 compares with that
of the previous year as follows:

Assets

Current and Working Assets:		1917*	1916†
Cash in Banks and on Hand.....		\$869,526	\$1,877,487
Notes and Accounts Receivable....		2,639,767	2,541,307
Inventories of Merchandise, Ma- terials and Supplies.....		5,265,825	3,519,341
Tank Steamers and Barges.....		1,790,476	1,790,200
Tank Cars		1,991,022	444,207
Stable and Garage Equipment.....		273,455	181,118
Iron Barrels and Drums.....		409,238	250,022
Drilling Tools and Equipment.....		61,104	16,436
Interest, Insurance, etc., Prepaid..		394,003	254,835
Miscellaneous Investments		38,109	.....
		<u>\$13,732,525</u>	<u>\$10,874,953</u>
Capital Assets:			
Oil Lands, Leaseholds and Devel- opment, Pipe Lines, etc., (includ- ing the capital stock and advances to Mexican Fuel Co. and Mid- west Prod. Co.).....		\$22,438,370	\$20,389,630
Real Estate Occupied by Refineries and Distributing Stations.....		2,678,895	2,012,019
Buildings, Plant and Equipment...		7,903,873	4,604,116
		<u>\$33,021,138</u>	<u>\$27,005,765</u>
		<u>\$46,753,664</u>	<u>\$37,880,718</u>

C. H. PFORZHEIMER & CO., 25

Dealers in Standard Oil Securities

RANGE OF STANDARD OIL STOCKS

COMPANY	Capital	Par	1912		1913	
			High	Low	High	Low
Anglo-American	£1,000,000	£1	26	6¼	27	16
Anglo-American	2,000,000	1	—	—	14	11
Anglo-American	3,000,000	1	—	—	—	—
Atlantic Refining Co.....	\$5,000,000	\$100	785	245	810	560
Borne Scrymser	200,000	100	300	110	365	220
Buckeye Pipe Line Co...	10,000,000	50	202	64	177	150
Cheseb'gh Mfg. Co. (new)	1,500,000	100	—	—	—	—
Chesebrough Mfg. Co....	500,000	100	900	550	705	645
Colonial Oil Co.....	250,000	100	195	100	145	90
Continental Oil (Iowa)..	300,000	100	1850	600	2700	1690
Continental Oil (Colo.)...	3,000,000	100	—	—	230	180
Crescent Pipe Line Co...	3,000,000	50	90	25	70	52
Cumberland Pipe Line Co.	1,488,851	100	115	60	98	58
Eureka Pipe Line Co....	5,000,000	100	460	120	395	335
Galena Signal (Common)	8,000,000	100	308	190	312	285
Galena Signal (new).....	12,000,000	100	—	—	210	165
Galena Signal (Preferred)	2,000,000	100	150	125	147	130
Indiana Pipe Line Co....	5,000,000	50	165	60	163	112
Illinois Pipe Line Co....	20,000,000	100	—	—	—	—
Intern'l Petroleum Co....	£20,000,000	£1	—	—	—	—
National Transit Co.....	\$12,127,572	\$25	57	22	57	35
National Transit Co.....	6,362,500	12.50	—	—	—	—
New York Transit Co....	5,000,000	100	405	115	370	308
Northern Pipe Line Co...	4,000,000	100	190	75	127	90
Ohio Oil Co.....	15,000,000	25	142	65	149	120
Penn-Mex Fuel Co.....	10,000,000	25	—	—	—	—
Pierce Oil Corporation...	10,500,000	100	—	—	70	30
Pierce Oil Corp. (new)...	13,857,500	25	—	—	—	—
Prairie Oil & Gas.....	18,000,000	100	350	180	447	275
Prairie Oil & Gas (new)..	18,000,000	100	—	—	—	—
Prairie Pipe Line.....	27,000,000	100	—	—	—	—
Solar Refining Co.....	500,000	100	650	398	760	600
Solar Refining Co. (new).	2,000,000	100	—	—	350	175
Southern Pipe Line Co...	10,000,000	100	315	120	280	230
South Penn Oil Co.....	2,500,000	100	925	360	1025	880
South Penn Oil Co.....	12,500,000	100	—	—	287	188
South Penn Oil Co. (new)	20,000,000	100	—	—	—	—
S. W. Penn Pipe Lines...	3,500,000	100	240	95	175	144
Standard Oil—California.	25,000,000	100	227	110	—	—
Standard Oil—California.	50,000,000	100	200	130	273	163
Standard Oil—California.	74,529,983	100	—	—	—	—
Standard Oil—Cal. (new)	99,373,311	100	—	—	—	—
Standard Oil—Indiana...	30,000,000	100	375	200	423	308
Standard Oil—Kansas....	1,000,000	100	630	130	610	445
Standard Oil—Kansas....	2,000,000	100	—	—	500	266
Standard Oil—Kentucky..	1,000,000	100	950	150	698	310
Standard Oil—Kentucky..	3,000,000	100	—	—	—	—
Standard Oil—Ky. (new)..	6,000,000	100	—	—	—	—
Standard Oil—Nebraska..	800,000	100	390	170	375	298
Standard Oil—Nebraska..	1,000,000	100	—	—	500	260
Standard Oil—New Jersey	98,338,382	100	435	350	448	328
Standard Oil—New York.	15,000,000	100	695	267	705	575
Standard Oil—New York.	75,000,000	100	—	—	183	136
Standard Oil—Ohio.....	3,500,000	100	355	140	400	257
Standard Oil—Ohio.....	7,000,000	100	—	—	—	—
Swan & Finch Co.....	500,000	100	300	175	330	175
Union Tank Line Co.....	12,000,000	100	102	45	94	60
Vacuum Oil Co.....	15,000,000	100	202	140	199	170
Washington Oil Co.....	100,000	10	40	8	52	20

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CKS IN NEW YORK MARKET

1914		1915		1916		1917		1918	
High	Low	High	Low	High	Low	High	Low	High	Low
18 $\frac{3}{4}$	9	19 $\frac{3}{4}$	13 $\frac{3}{8}$	18	14 $\frac{3}{4}$	21	15 $\frac{1}{2}$	14 $\frac{1}{4}$	11 $\frac{3}{8}$
856	400	700	530	1010	620	1150	775	970	890
375	250	295	250	530	275	460	400	475	435
184	95	125	98	125	85	123	77	101	91
—	—	—	—	500	302	450	300	333	300
695	620	750	650	1025	725	—	—	—	—
145	80	180	90	180	160	—	—	—	—
—	—	—	—	—	—	—	—	—	—
275	175	282	220	590	270	660	400	510	425
70	35	53	36	48	39	45	30	38	29
75	40	70	41	155	45	165	120	160	120
355	195	295	215	260	200	243	190	216	180
—	—	—	—	—	—	—	—	—	—
197	145	173	144	206	148	190	119	148	130
152	135	145	134	147	134	145	120	125	120
155	80	117	93	117	87	116	80	103	92
165	120	210	118	255	155	250	125	196	178
—	—	14 $\frac{1}{2}$	5	13 $\frac{1}{2}$	10	15 $\frac{3}{4}$	10 $\frac{1}{4}$	14 $\frac{1}{2}$	12 $\frac{1}{2}$
49	27	38	28	35	30	—	—	—	—
—	—	—	—	20	14	21	12	14	12 $\frac{1}{2}$
335	195	242	220	235	170	240	175	220	180
133	68	116	88	122	92	110	94	115	95
201	140	188	122	398	190	435	280	365	298
—	—	71	52	72	54	61	33	47	39 $\frac{1}{2}$
117	40	—	—	—	—	—	—	—	—
21	10	19	9	17 $\frac{3}{4}$	10 $\frac{3}{4}$	15 $\frac{1}{4}$	8 $\frac{1}{4}$	11 $\frac{1}{2}$	8 $\frac{3}{4}$
615	290	—	—	—	—	—	—	—	—
—	—	462	210	655	360	700	385	502	407
—	—	255	125	358	203	345	220	280	242
—	—	—	—	—	—	—	—	—	—
400	220	325	216	415	270	420	270	315	290
262	170	243	200	230	187	220	175	195	170
—	—	—	—	—	—	—	—	—	—
425	200	390	253	625	308	609	530	—	—
—	—	—	—	—	—	349	240	300	260
170	103	140	103	130	102	120	95	105	92
—	—	—	—	—	—	—	—	—	—
367	240	397	270	387	202	—	—	—	—
—	—	—	—	382	345	445	355	—	—
—	—	—	—	—	—	307	202	248	210
575	370	560	393	895	490	945	570	700	583
—	—	—	—	—	—	—	—	—	—
540	265	488	330	565	430	640	405	500	435
710	665	—	—	—	—	—	—	—	—
300	198	365	240	810	335	800	700	—	—
—	—	—	—	—	—	385	280	340	300
—	—	—	—	—	—	—	—	—	—
505	280	365	305	585	335	650	450	510	470
436	315	568	385	715	494	803	475	577	510
—	—	—	—	—	—	—	—	—	—
257	160	238	178	285	199	345	220	286	245
500	370	560	413	630	535	—	—	—	—
—	—	—	—	463	311	540	385	435	375
335	140	175	105	155	96	135	90	100	93
109	65	92	78	103	79	115	79	104	82
258	140	242	179	400	215	490	315	373	325
77	30	54	30	55	35	40	27	31	26

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Liabilities

Current Liabilities:	1917	1916
Notes Payable, Secured and Un- secured	\$2,741,412	\$1,382,228
Accts. Payable and Accrued Liab..	2,612,402	2,390,474
Estimated Federal Taxes.....	180,000	.....
Steamship Obligations	630,418	.....
	<u>\$6,164,232</u>	<u>\$3,772,702</u>
Funded Debt:		
6% Convertible Sinking Fund De- bentures Payable at 105% of Acc. Value July 1, 1914.....	\$9,523,000	\$9,765,000
6% Five Year Convertible Gold Notes, Due Dec. 31, 1920.....	2,000,000	2,000,000
Car Purchase Obligations Deferred.	975,871	925,091
Pipe Line Construction Loan.....	1,000,000	.....
Purchase of Oil Lands and Lease- holds . . . . .	.....	57,609
	<u>\$13,498,871</u>	<u>\$12,747,700</u>
Capital Stock:		
Authorized—1, 320,000 Shares of \$25 Each	\$33,000,000	\$33,000,000
Less:		
Held for Conversion of—		
10-Year 6% Debentures.....	10,000,000	10,000,000
5-Year 6% Convert. Gold Notes.	2,500,000	2,500,000
Unissued	3,014,250	6,642,500
	<u>\$15,514,250</u>	<u>\$19,142,500</u>
	<u>\$17,485,750</u>	<u>\$13,857,500</u>
Capital Stock of Subsidiary Company Outstanding:		
3,645 Shares of Beneficial Interest of Pierce-Fordyce Oil Assoc'n, which have option of Redemp- tion at 106 in Notes and Cash or Capital Stock of a Par Val. of	911,250	.....
Surplus:		
Capital Surplus	5,848,197	5,702,313
Profit and Loss Account Surplus...	2,845,363	1,800,502
	<u>\$8,693,560</u>	<u>\$7,502,815</u>
Contingent Liabilities:		
Litigation Pending	\$50,000	.....
Total Liabilities	<u>\$46,753,664</u>	<u>\$37,880,718</u>

*Consolidated balance sheet of Pierce Oil Corporation and subsidiary companies.

†Balance sheet of the Pierce Oil Corporation.

Remarks—The company's financial report for 1917, which includes earnings of the Pierce-Fordyce Oil Association, indicates improvements in Trading Profit over the previous year.

The reports for 1917 show that during the year the companies, considered as a system, earned \$3,456,611.37 available for the payment of interest charges. Interest payments amounted to \$717,967.68, so that the income available for that purpose was more than 480 per cent. the amount required. During the year liberal charges were made against income

for depreciation, bad debts, fire losses and miscellaneous expenses. There was charged off to depreciation of capital and working assets, including depletion of oil leases \$933,444.98 during the current year, compared with \$91,303.97 during 1916. This large deduction decreased the net surplus for the year to \$1,609,489.68, a falling off from that of the previous year of \$841,586.19.

The operations in Mexico during the year are reported to show a profit in Mexican currency, but owing to the decline in the exchange market to have resulted in a loss of \$54,683.01, which also was charged against the income of the year. It is stated that in normal conditions the business in Mexico is very profitable. The properties located in Mexico have been well protected and the organization maintained during the trying conditions of the last twelve months.

As of December 31, 1917, the companies, together had current and working assets, amounting to \$13,732,525.32, whereas their current liabilities aggregated only \$6,164,232.54. The cash on hand at the end of the year amounted to \$869,525.68. In the current and working assets the receivables and other items subject to fluctuations in Mexican exchange have been written down to the nominal value of \$1.00. This writing down at December 31, 1915, made necessary an adjustment of the accounts amounting to \$921,711.85 in United States currency. That amount was charged to capital surplus, to which account the final value of the items will be credited. Net earnings for the year after deduction of war taxes amounted to \$2.30 a share.

Property additions during 1917 are summarized as follows: The properties acquired through the purchase of the Pierce-Fordyce Oil Association include land and recently constructed refineries at Fort Worth and Texas City, Texas, and an eight-inch pipe line from the Healdton field in Oklahoma to the Fort Worth refinery (about 100 miles) completed in December, 1917, at a cost of approximately \$2,000,000. At the Sands Spring, Oklahoma, refinery the capacity was increased about 30 per cent. by various additions. A continuous plant for the treatment of gasoline by an improved method was also installed. A lubricating oil and wax plant with a capacity sufficient for the corporation's trade in the United States was complete in December, 1917. At the Tampico Refinery, two additional 55,000-barrel storage tanks were erected and the gasoline finishing plant started in 1916 was completed. The Fort Worth refinery had its capacity doubled and a continuous gasoline treating plant was installed. At the Texas City Refinery new installations increased the refined oil, gasoline, lubricating oil and paraffin wax capacity, about 20 per cent. There also were purchased 481 steel tank cars, 74 auto trucks and autos and the motorship "Salarina."

Notwithstanding the continued unsettled political conditions in Mexico, the corporation's organization throughout the Republic was maintained, and no property losses of any consequence occurred. During the year business improved both in volume and profits. All sales were made on a cash gold and silver basis. The railways being unable to handle all rail shipments from the Tampico refinery, the company leased two locomotives and 46 box cars and purchased 12 additional box cars, all of which, together with the tank car equipment in Mexico, meet all the present requirements.

Directors—Henry Clay Pierce, Clay Arthur Pierce, Eben Richards, C. W. Cahoon, Charles Hayden, Walter T. Rosen, Frederick Lewisohn, Willet L. Wagner, John L. Gray,

Officers—Henry Clay Pierce, President.
 Clay Arthur Pierce, Vice-President.
 Eben Richards, Vice-President.
 C. W. Cahoon, Vice-President.
 James H. Brookmire, Treasurer.
 Frederick G. Colley, Secretary and Comptroller.

Finance Committee—Henry Clay Pierce, Chairman; Eben Richards, Charles Hayden, Walter T. Rosen.

Operating Committee—Clay Arthur Pierce, Eben Richards, C. W. Cahoon, James H. Brookmire, John L. Gray, Frederick G. Colley, Samuel L. Kamps.

Counsel—Boyle & Priest, Missouri; Van Vorst, Marshall and Smith, New York; E. B. Perkins, Texas; A. Shanklin, Mexico.

Trustees, Ten-Year Debentures—Albert T. Wiggin, Chas. H. Sabin, Moritz Rosenthal.

Stock Transfer Agent—The New York Trust Company.

Stock Registrar—United States Mortgage and Trust Company of New York.

Auditors—Price, Waterhouse & Company.

THE PRAIRIE OIL & GAS COMPANY

The Prairie Oil & Gas Company was incorporated on December 15, 1900, under the laws of Kansas. The company acts solely as a producer, purchaser and marketer of crude oil. It operates in Oklahoma, Kansas, Texas and Wyoming.

Capital Stock—The authorized capital stock is \$20,000,000, of which \$18,000,000 is outstanding. Par Value, \$100.

Bonds—On December 31, 1911, there was \$17,000,000 of bonded debt outstanding, of which \$8,000,000 bonds were retired during 1912, and \$5,000,000 during 1915, making the present amount outstanding \$4,000,000. These are fifty-year debenture 6s, due 1955 to 1960; interest January and June 1st.

The company announced after the annual meeting on December 8, 1914, that the stockholders had authorized the working out of plans to separate its producing and transporting business. As a result, the Prairie Pipe Line Company was incorporated in Kansas with a capital of \$27,000,000, all of which was turned over to the parent company in exchange for its pipe line properties. This stock was then distributed to Prairie Oil and Gas Company shareholders.

Dividends—Since dissolution, dividends have been paid as follows:

1918—Apr 30	5%	\$900,000	1916—Jan 15	3%	\$540,000
Jan 31	5%	900,000	1915—Apr 21	150%	Stk. Div.
1917—Oct 31	7%	1,260,000	1914—	....	None
Jul 31	3%	540,000	1913—Feb 28	6%	1,080,000
Apr 30	5%	900,000	1912—Nov 30	6%	1,080,000
Jan 31	5%	900,000	Sep 23	6%	1,080,000
1916—Oct 31	5%	900,000	Jun 29	6%	1,080,000
Jul 31	5%	900,000	Mar 30	7%	1,260,000
Apr 29	5%	900,000			
Total Dividends since the dissolution..... \$14,220,000					

Properties—The company controls leases on hundreds of thousands of acres of oil lands, in Oklahoma, Kansas, Texas and Wyoming. It is one of the largest and most enterprising oil development companies in the country. It controls valuable properties in the leading producing areas of Kansas and Oklahoma and for several years past has maintained a daily production from its properties in those two states ranging

between 20,000 and 25,000 barrels. Since the segregation of its pipe line properties, the company has purchased practically all of the oil run by the Prairie Pipe Line Company.

In connection with its marketing business, it maintains steel storage for 50,000,000 barrels of crude oil, representing an investment of upwards of \$12,000,000.

Following a recent decision of the Federal Courts declaring the Texas Corporation license tax law unconstitutional, the company has entered the Texas fields. The Prairie Oil & Gas Company of Texas was incorporated in January, 1918, with a nominal capital of \$20,000 and with headquarters in Houston. The company thereafter took up leases on 78,000 acres in the new fields of Stevens, Eastland, Coleman, Erath, Parker and Palo Pinto counties, North West Texas. The company also entered into an arrangement with the Texas and Pacific Coal Company to develop 50,000 acres of its proven oil lands in the vicinity of Ranger, Eastland county. The terms of this agreement are said to include the payment of a bonus of \$1,500,000 to the Texas and Pacific Coal Company, the Prairie company moreover to drill twenty-one test wells, free of cost to the Texas & Pacific Company if no oil is found and both companies to divide equally the net profits from the oil produced.

The company has constructed five 55,000-barrel storage tanks near Ranger to take care of expected production and the Prairie Pipe Line Company is running a new line, south through the Healdton field to handle the oil.

The company has made no official announcement of its entrance into the Wyoming fields but it is understood to have acquired an interest in the West and Hazlitt holdings which cover upwards of 50,000 acres in various promising producing acres in Wyoming and Nebraska.

The company's financial report for 1917 compares with the previous year as follows:—

Assets:		1917	1916	Changes
Person Property	\$26,725,212	\$22,934,428	+	\$3,790,784
Realty	403,647	3,175,393	—	2,771,746
Bills Receivable.....	6,500,000	6,701,673	—	201,673
Accounts Receivable....	28,326,005	8,359,926	+	19,966,079
Securities	712,500	.....	+	712,500
Merchandise	34,800,058	37,345,391	—	2,545,333
Cash	5,137,988	5,942,892	—	804,904
Total Assets	\$102,605,409	\$84,459,703	+	\$18,145,706
Liabilities:				
Capital Stock.....	\$18,000,000	\$18,000,000	.....	.....
Bonds	4,000,000	4,000,000	.....	.....
Bills Payable.....	3,000,000	3,000,000	.....	.....
Accounts Payable.....	23,861,952	12,262,570	+	\$11,599,382
Surplus	53,743,458	47,197,133	+	6,546,325
Total Liabilities..	\$102,605,409	\$84,459,703	+	\$18,145,706

A gain of \$6,546,325 in surplus, after distributing \$3,600,000 in dividends, indicates earnings of \$56.37 a share after all charges. This compares with indicated earnings of \$88 a share in 1916.

The company makes no reference to its war taxes, but an increase of \$11,599,382 in accounts payable would indicate that the company's 1917 tax liability is included therein.

Growth of the company's volume of business is indicated by an increase of practically \$20,000,000 in accounts receivable. Oil in storage decreased \$2,545,333, indicating a heavy withdrawal from reserve supplies, as the market price of Oklahoma crude advanced 60 cents a barrel during the year.

The company's working capital increased to \$48,614,599, a gain of \$5,527,287. At the close of the year the book value of the stock was \$393 a share.

Because of the segregation of the company's pipe line properties in January, 1915, it is difficult to make a comparative table illustrating the company's growth over the five-year period. However, on December 31, 1911, the company had net assets of \$36,915,175, while on December 31, 1917, net assets were \$71,743,457, despite the withdrawal of pipe line assets. With the current demand and prevailing high prices for Mid-Continent oil, the company would seem to be assured a substantial profit in spite of war taxes.

Officers—President—J. E. O'Neill.

Vice-Presidents—Nelson K. Moody and W. S. Fitzpatrick.

Treasurer—E. T. Patterson.

Secretary—John T. Hallihan.

Directors—The above-named officers.

Transfer Office—Independence, Kansas.

Annual Meeting—Second Tuesday in December.

PRAIRIE PIPE LINE COMPANY

The Prairie Pipe Line Company was incorporated January 14, 1915, under the laws of Kansas to take over the transportation business and the equipment incident thereto of the Prairie Oil and Gas Company.

Capitalization—\$27,000,000. Par value, \$100.

The stock was distributed pro rata among the holders of the \$18,000,000 outstanding capital stock of the Prairie Oil and Gas Company.

Dividends—Since organization, dividends have been paid as follows:

1918—Apr 30	10%	\$2,700,000	1917—Jan 31	10%	\$2,700,000
Jan 31	10%	2,700,000	1916—Oct 31	10%	2,700,000
1917—Oct 31	10%	2,700,000	Jul 31	10%	2,700,000
Jul 31	5%	1,350,000	Apr 29	10%	2,700,000
Apr 30	10%	2,700,000	Jan 15	5%	1,350,000
Total Dividends since organization.....					\$24,300,000

Business—The company acts as a common carrier of crude oil in the States of Kansas, Oklahoma, Arkansas, Missouri and Illinois, through which its vast network of gathering and trunk delivery lines extend and which furnish in connection with other pipe line systems, the largest outlet for Mid-Continent oil to the Atlantic seaboard and Gulf ports.

Being a public utility corporation engaged solely in transportation, the company does not act as a purchaser or marketer of crude oil.

Properties—The transportation system of this company is the largest in the industry. Briefly stated, it operates 5,000 miles of gathering and trunk lines, 2,000 miles of private telegraph and telephone lines, 23 main pumping stations and 60 field pumping stations. Its gathering lines are connected with 4,000 producing leases and about 16,000 producing wells in Oklahoma and Kansas.

The capacity of its gathering equipment is 170,000 barrels a day and its trunk line system can deliver 175,000 barrels a day. In order to expand its facilities the company has expended upwards of \$5,000,000 in laying 325 miles of eight-

inch and twelve-inch pipe to loop its delivery lines from Carrolltown, Mo., and to double its trunk line from Carrolltown to Wood River, Ill. With the completion of these improvements it is able to deliver 120,000 barrels a day through Carrolltown for points east of the Mississippi River. During 1916, the company completed an 8-inch line from the new Augusta and El Dorado pools in Butler County, Kansas, to Neodesha, Kansas, and during 1917 added a second 8-inch line to take care of the mounting production of the district. The company also has built 80 miles of eight-inch line from its Jonesburg Station to Chautauqua County, Kansas, to the Blackwell Pool in Kay County, Okla. During 1918 the company expects to complete a new 8-inch line 285 miles in length, running from Cushing, Okla., through the Healdton field to Ranger, Texas.

The bulk of the Eastbound traffic goes in the company's own lines to the Standard Oil Company of Indiana's refineries, at Whiting, Indiana, and Wood River, Illinois. Other shipments, according to tariffs on file with the Interstate Commerce Commission, go via the Indiana, Buckeye and International Pipe Lines to the Imperial Oil Company, Ltd., refinery at Sarnia, Ont.; via Indiana, Buckeye, National Transit, New York Transit and Northern pipe lines to refineries at New York harbor, Philadelphia, Baltimore and Pittsburgh; via Illinois Pipe Line, Indiana and Buckeye pipe lines to refineries at Lima, Ohio, Toledo, and Cleveland. With the completion of the Tidewater Oil Company's transcontinental line from Stoy, Ill., to Wood River, the Prairie lines have a further avenue of delivery to the Atlantic seaboard.

To the South, the company is able to deliver 35,000 barrels a day to the Standard Oil Company of Louisiana refinery at Baton Rouge, La., via the Oklahoma Pipe Line and the Standard Oil of Louisiana's pipe line.

In its tax return to the State of Oklahoma, on July 1, 1914, Prairie Oil and Gas Company reported an investment of \$4,647,744 in pipe line equipment in Oklahoma and \$21,318,669 outside of the State. Eighteen months later these properties were turned over to the Prairie Pipe Line Company for \$27,000,000 in stock.

With the certainty that Oklahoma and Kansas are the principal sources of supply for the great refining groups of the Mid-Continent and the Atlantic seaboard, it is worth while noting the expansion of traffic on this system in the last five years:

	Runs (Barrels)	Deliveries (Barrels)
1918 (4 months)....	17,996,000	19,122,211
1917.....	48,353,000	45,104,683
1916.....	35,856,450	43,846,962
1915.....	32,136,566	43,490,023
1914.....	40,366,858	39,268,292
1913.....	37,840,240	34,850,953
1912.....	30,870,203	33,668,504

Prairie Pipe Line Company's financial statement for 1917 compares as follows:

Assets:	1917	1916	1915
Real Estate	\$96,673	\$96,067	\$95,050
Bills Receivable	3,000,213	3,000,214	5,000,214
Personal Property.....	37,198,273	33,722,550	29,195,911
Due from Banks.....	7,691,136	4,761,245	3,421,776
Accounts Receivable.....	2,047,162	2,260,130	2,675,825
Total Assets.....	\$50,033,462	\$43,840,206	\$40,388,776

Liabilities:

Capital Stock	\$27,000,000	\$27,000,000	\$27,000,000
Accounts Payable.....	564,775	641,835	348,358
Accrued Depreciation....	3,863,253	2,554,537	1,241,677
Tax Reserve Account....	4,759,683	362,290	.....
Surplus	13,845,750	13,281,544	11,798,741
Total Liabilities...	\$50,033,462	\$43,840,206	\$40,388,776

An increase of \$564,206 in surplus after distributing \$9,-450,000 in dividends and reserving \$4,759,683 for taxes, indicates that operating profits in 1917 were at the rate of 54.7 per cent., compared with 40.5 per cent. in 1916. After deducting \$17.62 a share for war taxes, the balance available for dividends was \$37 a share. In view of the company's program of plant expansion in Texas and southern Oklahoma it is encouraging to note that net cash assets are \$7,413,053 after setting aside \$4,759,683 for war taxes. Plant investment increased \$3,475,728 after writing off \$1,308,716 for depreciation. The book value of the stock increased to \$151.28.

Under the recent decision of the Supreme Court, making all interstate pipe lines common carriers, the company has filed with the Interstate Commerce Commission its schedules of rates. From Oklahoma to Cleveland, Ohio, via the Ohio Oil Company and the Buckeye Pipe Line or via the Indiana Pipe Line and the Buckeye Pipe Line, the rate is 58 cents a barrel, plus a gathering charge of 12 cents. To New York, Philadelphia or Pittsburg, via the same lines and eastern connection, the rate is 70 cents a barrel. This covers a haul of approximately 1,200 miles. .

Officers—President, William F. Gates,
Vice-President, Clark F. Kountz.
Treasurer, F. N. Wilhelm.
Secretary, R. G. Hare.

Directors—The above and George Coyle, of Tulsa, Okla.

Transfer Office—Independence, Kansas.

Annual Meeting—First Tuesday in March.

THE SOLAR REFINING COMPANY

The Solar Refining Company was incorporated in 1886 under the laws of Ohio.

Capital Stock—\$2,000,000; par value, \$100. The capital stock was \$500,000. On June 16, 1913, the stockholders ratified the proposal to increase the capital to \$2,000,000 by a 300 per cent. stock dividend, which was distributed June 30.

Dividends—Since the dissolution dividends have been paid as follows:

1918—Jun 20	5%	\$100,000	1914—Dec 20	5%	\$100,000
1917—Dec 20	30%	109,000	Jun 20	5%	100,000
Jun 20	5%	100,000	1913—Dec 20	35%	700,000
1916—Dec 20	5%	100,000	Jun 30	300%	Stk. Div.
Jun 20	5%	100,000	Jun 20	20%	100,000
1915—Dec 20	5%	100,000	1912—Dec 20	20%	100,000
Jun 20	5%	100,000			
Total Dividends since the Dissolution.....					\$2,300,000

Properties—This company owns a refinery at Lima, Ohio, which is complete in all its branches, manufacturing some specialties. The plant has a maximum capacity of about 15,000 barrels per day. It has pipe line connections with the Buckeye Pipe Line Company and the Illinois Pipe Line.

It is reported that the company owns about 280 acres of plant land and that it employs about 800 men. The plant

is in good repair and the management is able, active and progressive. The company will have expended \$1,000,000 in plant expansion by the close of 1918 in pursuance of a policy adopted in 1914. Part of this expenditure has been for the installation of Burton pressure stills for the manufacture of motor spirit. By these extensions the company has expanded its output and earning capacity by 50 per cent. in the last three years.

The company distributes the greater part of its products in the States of Ohio, Kentucky, Indiana and Michigan.

The company's financial report for 1917 compares with that of the previous year as follows:

	1917	1916	Change.
Profit for Year.....	\$1,831,509	\$1,104,601	+ \$726,908
Less Dividends.....	700,000	200,000	+ 500,000
Income and War Excess Profits Taxes.....	689,190	.....	+ 689,190
Carried to Surplus.....	\$442,319	\$904,601	— \$462,282

Balance Sheet as of December 31st

Assets:	1917	1916	Change
Real Estate.....	\$60,457	\$60,457	.....
Plant	\$3,075,105	\$2,732,082	+ \$343,023
Incomplete Construction...	308,859	290,115	+ 18,744
	\$3,383,964	\$3,022,197	+ \$361,767
Less Depreciation.....	1,761,878	1,687,564	+ 74,314
Plant After Depreciation..	\$1,622,086	\$1,334,633	+ \$287,453
Inventories	1,282,362	1,028,155	+ 254,207
Insurance Res. (invested).	242,094	240,843	+ 1,251
Accounts Receivable.....	618,927	230,680	+ 388,247
Cash & Other Investments	1,940,874	1,698,458	+ 242,416
Total Assets.....	\$5,766,800	\$4,593,226	+\$1,173,574
Liabilities:			
Capital Stock.....	\$2,000,000	\$2,000,000	.....
Accounts Payable.....	383,490	341,427	+ \$42,063
Liability for Taxes.....	689,190	.....	+ 689,190
Surplus	2,694,118	2,251,799	+ 442,319
Total Liabilities.....	\$5,766,800	\$4,593,226	+\$1,173,574

Profits for 1917, after depreciation but before deducting war taxes, exceeded those of the previous year by 66 per cent. and were the largest in any year since the dissolution. After allowing \$689,190 for income and war excess profits tax, net profits for 1917 were equal to 57.11 per cent. on the company's \$2,000,000 capital stock, against 55.23 per cent. in 1916, 17.69 per cent. in 1915 and a deficit in the previous year.

Notwithstanding the payment of \$700,000 (35 per cent.) in dividends in 1917 and \$689,190 for war taxes, the company added \$442,319 to its surplus. Net assets increased during the year from \$4,251,799 to \$4,694,120. Working capital on December 31, 1917, amounted to \$3,700,767, indicating the strong financial position of the company. Book value of the stock was over \$234 a share on December 31, 1917.

The value of the company's plant account increased \$361,767 during the year against which \$74,314 was charged to depreciation making an increase of \$287,453 in the value of the plant account after depreciation. The most interesting

feature of the development of the Solar Refining Company since the dissolution has been the steady increase in its Plant Account given in the table below. The conservativeness of the company's management is emphasized by the large amounts charged off from year to year to depreciation. The figures are as follows:

	Plant Investment	Accrued Depreciation	Net Plant
1917.....	\$3,383,964	\$1,761,878	\$1,622,086
1916.....	3,022,197	1,687,564	1,334,632
1915.....	2,587,040	1,637,912	949,128
1914.....	2,500,499	1,562,398	938,101
1913.....	2,306,761	1,507,010	799,751
1912.....	2,272,769	1,450,930	821,839
Increase 1912 to 1917	\$1,111,195	\$310,948	\$800,247

Analysis of the company's progress in the six years since the dissolution shows the following:

New Plant Incomplete						
	Net Profits	Rate	Invest- ment	Con- struction	Depre- ciation	Book Value
1917..	*\$1,142,319	57.10%	\$343,023	\$308,859	\$74,314	\$234.70
1916..	1,104,601	55.20%	45,042	290,115	49,652	212.59
1915..	353,960	17.60%	86,541	.....	75,514	167.35
1914..	†244,610	.....	193,738	.....	55,388	159.66
1913..	925,724	46.28%	33,991	.....	56,070	181.89
1912..	.....	.....	.....	.....	.....	†702.40

*After deducting \$689,190 for war taxes. †Deficit.

†On \$500,000 capital, equivalent to \$175.60 on present capital.

The effect of the company's steady reinvestment of profits in plant expansion is evident in the earnings of the last two years. Trading profits for 1917 were \$1,831,510 before deducting war taxes, or practically double trading profits in 1913, when the plant, prior to recent improvements, was run to full capacity. With the completion of additional improvements during 1918, the company ought to be able to show trading profits of \$2,000,000 or at the rate of 100 per cent. on its present capital, during normal years.

Officers and Directors—President—J. G. Neubauer.
Vice-President—F. T. Cuthbert.
2nd V.-P. & Treas.—F. G. Borges.
Secretary—N. D. Keys.
Gen. Supt.—J. W. McCarthy.

Transfer Office—Lima, Ohio.

Annual Meeting—First Wednesday in January.

SOUTHERN PIPE LINE COMPANY

The Southern Pipe Line Company was incorporated in 1890 under the laws of Pennsylvania.

Capital Stock—The capital stock was \$5,000,000, but it was increased to \$10,000,000 in 1906. Par value, \$100.

Dividends—Since the dissolution, dividends have been declared payable as follows:

1918—Jun 1	6%	\$600,000	1915—Mar 1	6%	\$600,000
Mar 1	6%	600,000	1914—Dec 1	6%	600,000
1917—Dec 1	6%	600,000	Sep 1	8%	800,000
Sep 1	6%	600,000	Jun 1	8%	800,000
Jun 1	6%	600,000	Mar 1	8%	800,000
Mar 1	6%	600,000	1913—Dec 1	8%	800,000
1916—Dec 1	6%	600,000	Aug 30	8%	800,000
Sep 1	6%	600,000	Jun 2	8%	800,000
Jun 1	6%	600,000	Mar 1	8%	800,000
Mar 1	6%	600,000	1912—Dec 2	8%	800,000
1915—Dec 1	6%	600,000	Aug 31	8%	800,000
Sep 1	6%	600,000	Jun 1	6%	600,000
Jun 1	6%	600,000	Mar 1	6%	600,000
Total Dividends since the dissolution.....					\$17,400,000

Properties—The company owns and operates 1,130 miles of pipe line and four pumping stations and owns 1,179,323 barrels of iron tankage.

The main line is 261 miles long, extending from Fayette County, Pa., from a point on the Pennsylvania-West Virginia State Line, about twelve miles northeast of Morgantown, via Watson, State Line, Knepper and Millway, to Philadelphia. It embraces 541 miles of 8-inch pipe and 578 miles of 6-inch pipe.

Oil is received at the western terminus from The Eureka Pipe Line Company, which is delivered to refineries at Philadelphia and to the National Transit Company at Millway. Oil is received also from the National Transit Company at Millway. The company has no gathering lines.

Traffic—Business of these lines for the past five years has been as follows:

	Operations		Oil in
	Other Receipts	Deliveries	Tankage
1918 4 months.	4,954,790	5,019,707	527,824
1917.....	16,545,467	16,339,308	599,663
1916.....	16,162,025	15,873,633	476,342
1915.....	12,007,811	12,268,015	.....
1914.....	12,288,691	11,890,943	710,731
1913.....	17,489,806	17,367,896	681,649
1912.....	20,598,159	20,619,580	573,740

Southern Pipe Line Company's financial report for 1917 compares with that of the previous year, as follows:—

	1917	1916	Increase
Net Profits.....	\$2,534,565	\$2,354,371	\$180,194
Dividends	2,399,999	2,399,999	.....
Surplus	\$134,566	*\$45,628	\$180,194

*Deficit.

Net profits were equal to 25.34 per cent. earned in 1917, compared with 23.54 per cent. in 1916 and 19.66 per cent. in 1915.

The Balance Sheet as of December 31, 1917, compares as follows:—

Assets:	1917	1916	Change
Plant	\$5,945,800	\$5,948,315	— \$2,515
Other Investments.....	7,624,522	7,097,297	+ 527,225
Accounts Receivable.....	313,048	333,151	— 20,103
Cash	220,616	367,489	— 146,873
Total Assets.....	\$14,103,986	\$13,746,252	+ \$357,734

Liabilities	1917	1916	Change
Capital Stock	\$10,000,000	\$10,000,000	.....
Depreciation	1,312,143	1,141,431	+\$170,712
Accounts Payable.....	66,188	13,732	+ 52,456
Profit and Loss Surplus...	2,725,655	2,591,089	+ 134,566
Total Liabilities....	\$14,103,986	\$13,746,252	+\$357,734

The company shows a surplus after dividends for the first time since 1914. This result was due to a 10 per cent. increase in traffic. The Book Value of the stock increased to \$127 a share of which \$80.92 were net cash assets.

The company's development since the dissolution is set forth comparatively as follows:—

	Net Profits	Ratio	Plant Investment	Depreciation	Book Value
1917.....	\$2,534,565	25.34%	.....	\$170,712	\$127.25
1916.....	2,354,371	23.54%	\$48,813	169,570	125.91
1915.....	1,966,756	19.66%	17,373	168,980	126.36
1914.....	2,528,883	25.28%	7,049	85,550	130.69
1913.....	3,743,658	37.43%	40,154	177,571	135.41
1912.....	3,810,450	38.10%	.....	*539,760	129.97

*Accrued depreciation to December 31, 1912.

It is apparent that the reduction in pipe line rates affected the company's high earning power but a liberal dividend policy has been maintained because of the company's large cash resources.

Directors—Forrest M. Towl, J. W. Vandergrift, C. E. Loane, C. A. McLouth, H. C. Dorworth.

Officers—President—Forrest M. Towl.
Vice-President and Gen. Mgr.—J. W. Vandergrift.
Vice-President—J. H. Baker.
Secretary and Treasurer—E. R. Shepard.
Asst. Secretary and Treasurer—C. E. Loane.

Transfer Office—No. 210 Seneca Street, Oil City, Penna.

Annual Meeting—Second Thursday in January

SOUTH PENN OIL COMPANY

The South Penn Oil Company was incorporated in 1889 under the laws of Pennsylvania. The company acquired control of the Penn-Mex. Fuel Company in 1912 by obtaining 51 per cent. of its \$10,000,000 capital stock.

Capital Stock—The capital stock is \$20,000,000. Par value, \$100, having been increased from \$2,500,000 to \$12,500,000 and then to the present figure. On May 1, 1913, the stockholders at a special meeting voted to increase the capital stock from \$2,500,000 to \$12,500,000. 75,000 shares were distributed pro rata as a stock dividend of 300 per cent. on July 31, 1913, and the balance of 25,000 shares were offered to the stockholders for subscription at par until the same date. On February 14, 1917, the shareholders voted to increase the capital to \$20,000,000, which was done by a 60 per cent. stock dividend distributed on March 15, 1917, to stock of record February 14.

Dividends—Since the dissolution, dividends have been payable as follows:

1918—Mar 30	5%	\$1,000,000	1915—Mar 31	3%	\$375,000
1917—Dec 31	5%	1,000,000	1914—Jun 30	5%	625,000
Sep 29	5%	1,000,000	Mar 31	5%	625,000
Jun 30	5%	1,000,000	1913—Dec 31	5%	625,000
Mar 31	5%	1,000,000	Sep 30	3%	375,000
Mar 15	60%	Stk. Div.	Jul 31	300%	Stk. Div.
1916—Dec 30	11%	1,375,000	Jul 31	100%	Rights
Sep 30	8%	1,000,000	Jun 30	10%	250,000
Jun 30	8%	1,000,000	Mar 31	10%	250,000
Mar 31	5%	625,000	1912—Dec 14	10%	250,000
1915—Dec 20	5%	625,000	Sep 14	10%	250,000
Sep 20	3%	375,000	Jun 15	10%	250,000
Jun 30	3%	375,000			
Total Dividends since the dissolution.....					\$14,250,000

Properties—The company is the largest producer of high grade Pennsylvania oil. It owns about 10,000 wells in the Appalachian Field, extending through western New York, western Pennsylvania and West Virginia, having a daily production of approximately 12,000 barrels. Its leases cover about 1,500,000 acres of lands, and those actively operated comprises about 300,000 acres, while it is estimated that more than 600,000 acres of its leased land is semi-tested territory. The company also controls the New Domain Oil and Gas Company which is active in the Kentucky fields.

Many of the company's old wells are small pumpers, which it does not operate unless the price of crude justifies doing so. At the present time the company has a production of several hundred barrels a day from wells yielding from one-half to one barrel of oil daily under the pump.

During August, 1917, the company purchased the properties of the Big Creek Development Company, comprising 7,500 acres in Lincoln County, West Virginia. On this property are 455 producing wells, yielding an average of 1,500 barrels daily. The property is fully equipped and served by the Eureka Pipe Line. The price paid was upwards of \$4,000,000.

The company also purchases from the producers all the oil run direct from the wells by the New York Transit Company, National Transit Company, South West Penna. Pipe Lines and Eureka Pipe Line. The company receives a brokerage commission of 5 cents a barrel for acting as purchasing agent.

South Penn Oil Company's financial statement for 1917 compares as follows:—

	1917	1916	1915
Net Earnings.....	\$6,107,723	\$4,745,089	\$5,314,150
Dividends	4,000,000	4,000,000	1,750,000
Balance to Surplus..	\$2,107,722	\$745,089	\$3,564,150
Comparative Balance Sheet			
Assets:	1917	1916	1915
Plant	\$14,176,027	\$11,224,681	\$10,819,102
Stock Held	5,446,628	5,444,738	5,441,138
Materials & Merchandise	2,090,216	1,298,044	1,400,999
Cash and Oil on Hand..	2,349,982	4,349,193	4,343,325
Notes, Bonds & M'tgages	3,208,612	2,600,000	2,428,671
Accounts Receivable	721,367	302,461	284,498
Total Assets.....	\$27,992,832	\$25,219,117	\$24,717,732

Liabilities:

Capital Stock	\$20,000,000	\$12,500,000	\$12,500,000
Accounts Payable.....	995,702	329,710	573,414
Profit and Loss Surplus.	*6,997,129	12,389,407	11,644,318
Total Liabilities.....	\$27,992,832	\$25,219,117	\$24,717,732

*After deducting stock dividend of \$7,500,000.

The company's earnings for 1917 are equal to 30.53 per cent. on the \$20,000,000 stock outstanding at the close of the year, or at the rate of 48.85 per cent. on former capitalization. This compares with 37.95 per cent. earned in 1916 and 42.5 per cent. in 1915 on \$12,500,000 stock outstanding in those years. On March 15, 1917, the company distributed a stock dividend of 60 per cent., or \$7,500,000, from the surplus earnings of former years. The Book Value of the stock was \$135 a share on December 31, 1917, compared with \$199 a share at the close of the previous year on former capitalization. Earnings as represented for 1917 include income and excess profits tax, but the company states that it was able to add approximately \$400,000 to surplus after dividends and war taxes.

The company's growth since the Dissolution is shown comparatively as follows:—

	Earnings	Dividends	Capital Assets	Net Current Assets
1917.....	\$6,107,723	\$4,000,000	\$19,622,655	\$7,374,475
1916.....	4,745,089	4,000,000	16,669,419	8,219,988
1915.....	5,314,150	1,750,000	16,260,240	7,884,079
1914.....	(Deficit)	1,250,000	12,146,584	8,433,524
1913.....	6,637,702	{ 1,500,000 7,500,000 (Stk. Div.)	13,721,539	10,323,846
1912.....	.....	750,000	12,084,228	4,324,058

From the Dissolution at the close of 1912 to April 1, 1918, the company has distributed to its shareholders, \$14,250,000 in cash, \$15,000,000 in stock and subscription rights at par to \$2,500,000 of stock. The progress of the company, despite the depletion of the Appalachian Fields, is shown by the fact that net assets on December 31, 1896, were \$11,758,003; on December 31, 1906, \$14,915,185 and on December 31, 1918, \$26,997,129.

Officers—Chairman—Joseph Seep.

President—L. W. Young, Jr.

Vice-President—E. E. Crocker.

Secretary—R. W. Cummins.

Treasurer—S. G. Hartman.

Directors—The above-mentioned officers in addition to
J. L. McKinney and P. H. Curry.

Transfer Office—No. 424 Sixth Avenue, Pittsburg, Pa.

Annual Meeting—Third Tuesday in January.

SOUTH WEST PENNSYLVANIA PIPE LINES

The South West Pennsylvania Pipe Lines was incorporated in 1885 under the laws of Pennsylvania.

Capital Stock—The capital stock is \$3,500,000. Par value, \$100.

Dividends—Since the dissolution, dividends have been declared, payable as follows:

1918—Apr 1	3%	\$105,000	1914—Dec 31	3%	\$105,000
1917—Dec 31	3%	105,000	Oct 1	3%	105,000
Oct 1	3%	105,000	Jul 1	5%	175,000
Jul 2	3%	105,000	Apr 1	5%	175,000
Apr 2	3%	105,000	1913—Dec 31	5%	175,000
1916—Dec 31	3%	105,000	Oct 1	5%	175,000
Oct 1	3%	105,000	Jul 1	5%	175,000
Jul 1	3%	105,000	Apr 1	5%	175,000
Apr 1	3%	105,000	1912—Dec 31	5%	175,000
1915—Dec 31	3%	105,000	Oct 1	5%	175,000
Oct 1	3%	105,000	Jul 1	5%	175,000
Jul 1	3%	105,000	Apr 1	5%	175,000
Apr 1	3%	105,000			
Total Dividends since the dissolution.....					\$3,325,000

Properties—The company owns and operates 1,646 miles of pipe lines of various sizes from 2-inch to 12-inch pipe, of which the trunk lines embrace 100 miles of 8-inch, 271 miles of 6-inch, 39 miles of 5-inch, and 12 miles of 4-inch pipe. There are three trunk line pumping stations and thirty-three local pumping stations. The company also owns 1,472,000 barrels of iron tankage.

Oil is received from The Buckeye Pipe Line Company at various points on the Ohio-Pennsylvania boundary line; from the Eureka Pipe Line Co. at points on the West Virginia-Pennsylvania State line, chiefly coming from Littleton, Downs, Morgantown and Brice; from the National Transit Company at Nedskey and from the Tuscarora Oil Company at Cooks Ferry.

The producing field in Pennsylvania from which oil is received extends from the Northern boundary of Beaver and Allegheny Counties to the western and southern lines of Pennsylvania and east to the Monongahela River. Most of the oil transported is received from and delivered to other transporting companies.

Traffic—Business over these lines for the last five years has been as follows:—

	Other Receipts (Barrels)	Runs (Barrels)	Deliveries (Barrels)	Oil in Tankage (Barrels)
1918 (4 mos.)	3,699,607	426,005	4,039,769	476,185
1917.....	12,305,109	1,468,123	12,681,423	395,134
1916.....	12,991,915	1,276,031	14,378,994	467,098
1915.....	10,584,530	1,300,732	12,549,583	607,350
1914.....	9,185,864	1,385,119	10,506,968	780,698
1913.....	13,300,253	1,340,515	14,638,052	688,800
1912.....	14,202,960	1,456,436	16,106,403	522,506

Southwest Pennsylvania Pipe Lines' financial statement for 1917 compares with that of the previous year, as follows:

	1917	1916	Decrease
*Profits	\$338,536	\$456,358	\$117,822
Dividends	419,999	419,999	.....
Surplus	†\$81,463	\$36,359	\$117,822

*Profits are equal to 9.67 per cent. in 1917 on \$3,500,000 capital stock, 13.04 per cent. in 1916 and 9.90 per cent. in 1915. †Deficit.

The company's Balance Sheet as of December 31, 1917, compares with previous year as follows:—

Assets:	1917	1916	Change
Plant	\$3,949,758	\$3,936,037	+ \$13,721
Other Investments	1,331,891	1,219,891	+ 112,000
Accounts Receivable	105,737	116,529	— 10,792
Cash	78,339	218,833	— 140,494
Total Assets	\$5,465,726	\$5,491,290	—\$ 25,564
Liabilities	1917	1916	Change
Capital Stock	\$3,500,000	\$3,500,000	.....
Depreciation	856,361	750,782	+\$105,579
Accounts Payable	40,208	74,157	— 33,949
Oil Pur. and Sale Conting.	101,270	117,000	— 15,730
Profit and Loss.....	967,887	1,049,350	— 81,463
Total Liabilities....	\$5,465,726	\$5,491,290	— \$25,564

A decline of 5½ per cent. in the company's trunk line business resulted in a slight deficit after the payment of the usual \$12 dividend. There was an increase in gathering line business but it was not sufficient to offset the shrinkage in trunk line activities. The Book Value of the stock was \$127.65 on December 31, 1917, of which \$42.16 a share represented net cash assets.

Since the Dissolution, the company's progress is shown comparatively as follows:—

	Earnings	Ratio	Depreciation	Book Value
1917.....	\$338,536	9.67%	\$105,579	\$127.65
1916.....	456,358	13.04%	107,028	129.98
1915.....	346,453	9.90%	106,815	127.94
1914.....	406,359	11.60%	70,387	131.04
1913.....	806,227	23.03%	125,505	135.43
1912.....	967,661	27.90%	*341,047	133.82

*Accrued to December 31, 1912.

The effect of reduced rates on the company's earnings is apparent but a conservative dividend policy has kept the surplus unimpaired, and its cash position strong. Net assets on December 31, 1916, were \$4,549,350 against net assets of \$3,453,384 on December 31, 1906.

Directors—Forrest M. Towl, E. G. Wright and J. M. Magee, Pittsburgh, Pa.; V. S. Swisher, J. F. Connors and E. R. Shepard, Oil City, Pa.

Officers—President—Forrest M. Towl.
Vice-President and Gen. Mgr.—E. G. Wright.
Vice-President—V. S. Swisher.
Secretary and Treasurer—E. R. Shepard.
Assistant Treasurer—C. A. McLouth.

Transfer Office—210 Seneca Street, Oil City, Pennsylvania
Annual Meeting—Wednesday after third Thursday in January.

STANDARD OIL COMPANY (California)

The Standard Oil Company of California was incorporated in 1906 under the laws of California to consolidate the Standard Oil Company of Iowa, a marketing company, and the Pacific Coast Oil Company, which was organized in 1879 and acquired by Standard Oil Interests in 1900.

Capital Stock—\$100,000,000 is the authorized capitalization since July 14, 1914, when the stockholders voted on a resolution to this effect passed by the directors on January 6th. The company is therefore the first of the former Standard Oil subsidiaries to raise its capitalization to an equality with the parent company. The original capital was \$25,000,000 but after dissolution, the stockholders on July 20, 1912, authorized an increase to \$50,000,000, which was accomplished by extending subscription rights at par first to 80 per cent. of holdings and thereafter to 10 per cent. of holdings. On July 14, 1914, the stockholders authorized an increase of authorized capitalization to \$100,000,000, which was accomplished first by a 50 per cent. stock dividend and thereafter by a 33 1-3 per cent. stock dividend.

The various increases of the company's outstanding capital are set forth in the following table:—

	Outstanding Capitalization	Stock Dividend or Sub. Rights at Par	New Capitalization
Aug. 31 1912...	\$25,000,000	80% Sub. Rights	\$44,933,994
Feb. 2, 1914....	*45,183,993	10% Sub. Rights	49,686,655
Apr. 30, 1916...	49,686,665	50% Stock Div.	74,529,983
Apr. 15, 1917...	74,529,983	33 1-3% Stk. Div.	99,373,310

*2,500 shares at \$200 per share were issued in November, 1913, in part payment for the 4,000 acres of producing lands, purchased from the Murphy Oil Company.

Income Tax Ruling—By resolution of the Board of Directors of the company, it is provided that the stock dividend declared January 18, 1916, shall represent surplus profits of the company prior to March 1, 1913, amounting to \$20,353,068.34, and the first surplus profits earned thereafter up to \$4,490,259.40 and that the stock dividend declared January 16, 1917, shall represent the first surplus profits of the company earned after March 1, 1913, over and above \$4,490,259.40.

In view of this action of the board, the office of the Commissioner of Internal Revenue has ruled that the proportion of the surplus of the company earned to March 1, 1913, and reflected in the stock dividend declared January 18, 1916, may be eliminated by stockholders in their income tax returns for the year 1916. Therefore, under this ruling 18.0743 per cent. of the 1916 stock dividend is returnable for income tax purposes, and the remainder of the 1916 stock dividend is not taxable.

Dividends—Since the dissolution an initial dividend of 2½ per cent. was paid on November 15, 1912, and thereafter a quarterly rate of 2½ per cent. has been maintained throughout all the increases of capital. Cash dividends paid from November 15, 1912, to June 15, 1918, aggregate \$36,558,345.

Business—The Standard Oil Company, California, represents in its organization every branch of the oil industry, being engaged in the producing, refining, transporting and marketing of oil and its by-products.

Producing Properties—Until the early part of 1913, the company was a large purchaser of oil, its own wells furnishing but 10,000 barrels a day. Development work in 1913

brought success in all fields and by the close of the year the bringing in of a series of gushers had raised the company's production for that year to a daily average of 26,575 barrels. During 1917, the production from the company's own wells was 18,286,588 barrels, a gain of 3,509,464 barrels over the previous year. The growth of the company's producing and pipe line business is shown in the following table:—

	Daily Average Production Own Wells	Average Daily Pipe Line Runs	Crude Oil Stored Dec. 31
1917.....	45,352 Bbls.	83,596 Bbls.	15,101,696 Bbls.
1916.....	35,632 Bbls.	75,944 Bbls.	22,753,178 Bbls.
1915.....	31,656 Bbls.	90,715 Bbls.	26,682,064 Bbls.
1914.....	34,869 Bbls.	109,949 Bbls.	26,058,077 Bbls.
1913.....	26,575 Bbls.	85,902 Bbls.	24,310,310 Bbls.
1912.....	10,846 Bbls.	.....	.....

The success which has crowned the efforts of the company's production department is the belated reward of \$14,000,000 spent in exploration and development work before the company's wells netted a cent of profit.

Refining Properties—The company operates three refineries. That at Point Richmond, near San Francisco, was practically rebuilt at an expenditure of \$10,000,000 during 1912. The secondary refinery at El Segundo, near Los Angeles, was completed in 139 days during 1913 and the Kern River refinery, near Bakersfield, was completed in November, 1913. The combined capacity of the three refineries is over 100,000 barrels a day at this date and is increasing constantly, as building operations never have ceased since the company began independent operations.

The Point Richmond refinery on San Francisco Bay is one of the most complete in the world. It spreads over 435 acres and employs 1,700 men. 65,000 barrels of crude oil are refined daily. There are 117 big stills, adequate condensers and receiving houses, 41 agitators, 182 storage tanks, an engine house capable of developing 22,000 horsepower; an acid plant manufacturing 170,000 pounds of sulphuric acid daily for purifying oils; a grease plant; an asphaltum plant; a can factory with a capacity of 25,000 five-gallon cans a day; a cooperage works; a machine shop, a tank car repair shop, a ship yard, and pumping houses, and interconnecting the entire plant runs a maze of pipe lines, 360 miles in all, through which are handled the crude and many of the refined oils, as well as steam, air and fresh and salt water.

From the refinery the oils are run by gravity directly to the railroad yards, where 50 tank cars can be loaded at once. Other pipe lines convey oil to the company's pier extending a mile out into the bay, where the company's ships and barges are loaded. There is a second shipping pier at Point Orient, five miles below the refinery.

The company recently has purchased 100 acres immediately adjoining its refinery to provide for further extensions.

To obviate fire danger, oil for the Richmond refinery is stored at the tank farm at San Pablo, which covers 1,200 acres. The company now has storage capacity there for 25,000,000 barrels of oil and is increasing its tankage facilities.

The El Segundo refinery on the ocean front near Los Angeles is adjacent to the Fullerton field and the new Merced

Hills district, both of which have been developed by the company. The plant has a daily capacity of 30,000 barrels, storage for 2,800,000 barrels of refined oils and 1,100,000 barrels of crude oil, and additional tankage is under construction. There is also an acid plant with a daily output of 24,000 pounds and an asphalt plant with a daily capacity of 75 tons. Loading racks for tank cars and a shipping pier adjoin the refinery, providing facilities for loading 360 tank cars daily. A cooperage shop, casing plant and machine shop complete the equipment and make the refinery as up-to-date as any in the country. Acreage for extending the plant to six times its present capacity, when necessary, has been acquired recently.

The new Bakersfield refinery, with a present capacity of 10,000 barrels, is situated in the heart of one of the oldest producing districts and is supplied by the company's own wells. The Kern River oil is fourteen degrees gravity and under, and this plant specializes in asphaltum products.

The company has installed a very large gasoline compression plant on its McNee properties in the Midway field. The plant will handle 12,000,000 cubic feet of natural gas daily and will yield between 15,000 and 20,000 gallons of gasoline daily.

Transportation Properties—The company operates a total of 1,100 miles of pipe line. The main trunk lines extend for 350 miles through the San Joaquin Valley from Midway to Point Richmond, with a branch line to Coalinga. There are three lines paralleling each other, two eight-inch lines and one twelve-inch line, the last just completed. The total capacity of these lines is 80,000 barrels a day. From the Santa Maria field to Port Hartford there is an eight-inch line, 40 miles in length. From the Newhall field to Ventura runs forty miles of four-inch line and the twenty-three miles between the Whittier-Fullerton districts to El Segundo is transversed by two six-inch lines and an eight-inch line recently completed. The combined capacity of the company's lines is in excess of 100,000 barrels a day.

During 1913, the California legislature passed a law requiring all pipe lines to become common carriers. Although protesting that the law was unjust, as it might deprive it of the use of lines, which it had built solely to transport its own oil, the company accepted the law and was the only pipe line company in the state to do so. The other companies have appealed to the Federal Courts against the enforcement of the statute.

For water transportation the company operates a fleet of thirty vessels, consisting of ocean-going tankers, barges, river boats, tugs and launches, ranging in carrying capacity from 500 barrels to 80,000 barrels. The "Richmond" and a sister ship, the "J. A. Moffett," of 60,000 barrels carrying capacity, were joined during 1916 by the "D. G. Scofield" of 8,704 gross tonnage with carrying capacity for 80,000 barrels of oil, and "La Primera," a steamship of 612 tons, for carrying package goods to the Orient. Three other tankships of 8,000 tons, with 85,000 barrels capacity are under construction for the company at the Union Iron Works, San Francisco. With the delivery of these later vessels, the company's fleet will represent a total carrying capacity of nearly 750,000 barrels of oil and 250,000 cases.

The company's fleet is constituted as follows:

	Carrying Capacity (Barrels)
S. S. "D. G. Scofield".....Coastwise & Foreign	80,000
S. S. "Richmond" .....Coastwise & Foreign	65,000
S. S. "J. A. Moffat".....Coastwise & Foreign	65,000
S. S. "Acme" .....Coastwise & Foreign	80,000
S. S. "D. G. Scofield".....Coastwise & Foreign	80,000
S. S. "Capt. A. F. Lucas"...Coastwise & Foreign	40,000
S. S. "Col. E. L. Drake"....Coastwise & Foreign	40,000
S. S. "El Segundo" .....Coastwise & Foreign	34,000
S. S. "Ascunslon" .....Coastwise & Foreign	21,000
S. S. "Atlas" .....Coastwise & Foreign	16,000
S. S. "Maverick" .....Coastwise & Foreign	12,000
S. S. "George Loomis".....Coastwise & Foreign	7,000
S. S. "La Primera" .....Coastwise & Foreign	Case Oil
S. S. "John Ena".....Coastwise & Foreign	Case Oil
S. S. "Dunsyre" .....Coastwise & Foreign	Case Oil
M. S. "La Merced".....Coastwise & Foreign	Case Oil
Barge S. O. Co. No. 95.....Coastwise & Foreign	48,000
Barge S. O. Co. No. 93.....Coastwise & Foreign	28,000
Barge S. O. Co. No. 91.....Coastwise & Foreign	23,000
Barge No. 1.....Harbor	4,500
Barge No. 2.....Harbor	800
Barge No. 3.....Harbor	2,000
Barge No. 4.....Harbor	5,500
Barge No. 5.....River	2,200
Barge No. 6.....Harbor	650
Barge No. 7.....Harbor	5,500
Barge No. 8.....Harbor	2,200
Gasolene Barge "Petroleum" .....Harbor	400
Gasolene Barge "Petroleum" No. 2.....Harbor	1,200
Gasolene Barge "Pico" .....Harbor	1,200
Stern Wheeler "Petroleum" No. 3.....River	1,500
Gasolene Barge "Contra Costa".....Harbor	7,500
Gasolene Barge "Benecia" .....Harbor	2,200
Stern Wheeler "San Jose".....River	500
Tug "Standard No. 1".....Harbor	—
Freight & Launch "Dispatch".....Harbor	—

Two-thirds of the company's output of illuminants is exported, mostly to the Orient, ships of the Standard Oil Company of New York loading at Port Richmond for China and Japan. Twenty-five per cent. of the American oil shipped to China last year went from California and all but a few cargoes was furnished by Standard Oil Company of California. The company also furnished sixty per cent. of the American oil that went to Japan. Cargoes of the company's illuminants went last year to British India and the Dutch Indies. The company also has worked up a substantial trade in lubricants in Australia.

The company markets gasolene and engine and stove distillates in Central and South American countries.

The company maintains an extensive marketing organization for the distribution of its output. There are fifteen main supply stations between Nome, Alaska, and San Diego, Cal., and nearly 200 subsidiary stations from which refined oils are distributed through contiguous territory by the company's tank wagons. The domestic business covers the Pacific slope stations, Alaska and the Hawaiian Islands, and the company's export stations are located through Japan, India, Java and the West Coast of Central and South America.

The company claims the distinction of having inaugurated the Service Station idea, whereby gasoline is sold direct to the consumers. The company has more than 300 of these stations in operation and is continually adding to the number.

Standard Oil Company, California's, financial statement for 1917 compares as follows:—

	1917	1916
Net Earnings	\$30,377,073	\$21,263,520
Depreciation	3,620,494	3,658,216
Balance	\$26,756,579	\$17,605,304
Depletion	2,276,839	.....
Balance	\$24,479,740	\$17,605,304
Excess Profits and Income Tax (Estimated)	5,830,116	.....
Balance	\$18,649,624	\$17,605,304
Cash Dividends	9,316,247	6,831,915
Surplus	\$9,333,377	\$10,773,389
Previous Surplus	30,782,324	44,852,263
Total Surplus	\$40,115,701	\$55,625,652
Stock Dividend	24,843,327	24,843,328
Final Surplus	\$15,272,374	\$30,782,324

Balance Sheet—The balance sheet as of Dec. 31, 1917:

Assets:	1917	1916
Plant.	\$80,979,929	\$72,010,645
Other Investments	1,676,610	99,369
Inventories	26,799,564	26,166,272
Deferred Charges	730,710	.....
Accounts Receivable	10,371,893	8,031,708
Employees' Liberty Loan.....	1,007,892	.....
Cash	5,356,758	2,646,756
Unexpired Insurance, Taxes, etc....	.....	445,509
Total	\$126,923,160	\$109,400,259

Liabilities:		
Capital Stock	\$99,373,310	\$74,529,983
Accounts Payable	5,312,669	3,837,952
Capital Stock Premium Account....	250,000	250,000
Excess Profits Income Tax (Est.)..	5,830,116	.....
Merchandise Due on Contract.....	884,587	.....
Surplus	15,272,378	30,782,324
Total	\$126,923,160	\$109,400,250

For its first year of operation as a \$100,000,000 corporation, Standard Oil Company of California reports net trading profits of \$30,377,073, from which after reserving \$5,830,116 for war taxes; \$3,620,494 for depreciation, and \$2,276,839 for well depletion, it had \$18,649,624 available for dividends. The year proved the best in the company's long and successful history.

In his report to the shareholders, President W. T. Rheem touches briefly but informingly on the company's various activities, as follows:

During 1917 the company drilled and completed 120 wells. It added to its holdings by purchase and lease 1,395 acres of

developed properties, which at the time of purchase were producing about 2,000 barrels per day and which had since been increased to 3,000 barrels per day. During the year the company also endeavored "by wild catting" to develop new oil fields. This effort has been attended with some failures and considerable success, the most notable success being in the Merced Hills, some seven miles east of the City of Los Angeles, from which the company now has a production of 10,700 barrels per day from seven wells finished. The smallest company well in this field came in with a production of 500 barrels per day and the largest at the rate of 8,000 barrels. This last named well, although several months old, is still producing 5,000 barrels per day. This particular field, in which the company has 767 acres under lease, promises to be a prolific producer.

As to pipe lines the report says that the Northam El Segundo system was increased by the addition of 10-inch line 22.6 miles in length, a branch line of 6-inch pipe was constructed to the new fields in the Merced Hills (Montebello) 9.5 miles.

Of the expenditures for plant account \$3,276,221 was used to increase the plants of the refineries at Richmond, El Segundo and Bakersfield. This expenditure covered increased still capacity, delivery lines from El Segundo to San Pedro harbor, both for fuel oil and light products and other construction of less magnitude made necessary by the ever increasing demand for the company's products.

There were added to the company's fleet during the year 1917 the steamers John Ena with a carrying capacity of 105,000 cases, and the Dunsyre, capacity 85,000 cases, the motor ship La Merced, capacity 38,000 cases, and several smaller boats for towing and barging. The steamer Colonel E. L. Drake was tendered to the United States Government in May, 1917, was accepted and is now exclusively in the service of the Government.

There were added to the sales departments in 1917 38 new sub-stations, 21 new service stations and 206 autos and auto trucks.

The gross production of crude oil from the company's wells in 1917 was 18,286,588 barrels, against 14,177,124 barrels in 1916, a gain of 3,509,464 barrels, or a daily average gain of 9,720 barrels, equivalent to an increase of 23.74 per cent.

The total crude oil runs to the company including its own production for 1917 was 83,596 barrels a day, against 75,944 barrels a day in 1916, an increase of 7,652 barrels a day.

The company's stocks of crude oil and their equivalent as of December 31, 1917, were 15,101,696 barrels, against 22,753,178 barrels on December 31, 1916, or a total decrease in its stocks of 7,651,482 barrels.

The total value of all sales of all products, both foreign and domestic, for the year 1917 shows an increase of 42.45 per cent over that of 1916. The export business of the company for 1917 showed but little change from that of 1916.

The company paid in taxes, exclusive of income and excess profits taxes, during the year 1917 \$1,416,399, against \$946,285 in 1916, an increase of 49.68 per cent.

The continued shrinkage includes oil stocks in California during 1917, amounting to approximately 12, 300,000 barrels, representing an increased demand, rather than a decline in output, as production was fairly constant during the year, brought about higher quotations for crude oil, the base price in January, 1917, of 73c per barrel advancing during the

year to 98c. per barrel. While crude oil was demanding the higher price mentioned, the price of gasoline to the consumer remained stationary during the year.

"The growth of the company's business as evidenced in 1917," the report says, "has been upon the most healthy basis and is shown to be the result of the increase in population and commercial importance of the territory in which the company naturally does business and not a consequence of participation in war business which would have been reflected in increased export sales."

The growth of the company in earning power and in physical expansion is shown in the following table:—

Year	Earnings	Rate	Dividends	Plant Acct. After Operation	Capital and Surplus
1917..	*\$24,479,740	24.6%	\$9,316,247	\$80,979,929	†\$114,645,688
1916..	17,605,304	23.6%	6,831,915	72,010,645	105,312,307
1915..	9,529,946	19.8%	4,968,666	65,834,282	94,538,928
1914..	10,058,338	20.2%	4,856,098	65,415,338	89,977,673
1913..	10,911,481	24.0%	4,493,399	58,933,865	80,272,736
1912..	7,106,156	15.8%	1,123,350	38,431,750	65,129,996

*Before deducting \$5,830,116 for War Taxes.

†After deducting War Tax Reserve.

On December 31, 1911, net assets were \$39,213,195 and on December 31, 1917, net assets were \$114,645,688, showing a gain of \$75,432,493 or 192 per cent. in the six year period.

The company's sales showed a growth in value of 42.45 per cent. over 1916, which year in turn had shown a growth of 45 per cent. over 1915. This showing in the face of the standstill imposed upon its export trade by war conditions indicates the sustained prosperity in view for the company.

Officers and Directors—

President—W. R. Rheem.

Senior Vice-President—K. R. Kingsbury.

Vice-President—W. S. Miller.

Vice-President and Director of Producing—
F. H. Hillman.

Treasurer and Director of Mfg.—R. J. Hanna.

Sec'y and Director of Pipe Lines—H. M. Storey.

Main Office—Standard Oil Co. Bldg., San Francisco, Cal.

Transfer Offices—Equitable Trust Co., New York, and company's offices, San Francisco.

Annual Meeting—February 20th, Richmond, Cal.

STANDARD OIL COMPANY (Indiana)

The Standard Oil Company (Indiana) was incorporated in 1889.

Capital Stock—Authorized, \$100,000,000; outstanding, \$30,000,000; par value, \$100. The capital stock was originally \$500,000, having been increased to \$1,000,000 in 1892. In March, 1912, the stockholders approved the increase in stock from \$1,000,000 to \$30,000,000 by the payment of a 2900-per cent. dividend in capital stock, which was distributed on May 15, 1912. On March 1, 1917, the stockholders approved an increase of the capital stock to \$100,000,000 and voted to amend the company's charter so that it could engage in the business of producing crude oil and transporting oil and its by-product by pipe line, ships and tank cars. No announcement has been made as to when or how the capital will be increased.

Dividends—Since the dissolution, dividends have been declared payable as follows:

1918—May 31	6%	\$1,800,000	1915—Feb 28	3%	\$900,000
Feb 28	6%	1,800,000	1914—Nov 30	6%	1,800,000
1917—Nov 30	6%	1,800,000	Aug 31	6%	1,800,000
Aug 31	6%	1,800,000	May 29	6%	1,800,000
May 31	6%	1,800,000	Feb 28	7%	2,100,000
Feb 28	6%	1,800,000	1913—Nov 29	12%	3,600,000
1916—	3%	900,000	Aug 31	7%	2,100,000
Aug 31	3%	900,000	May 31	6%	1,800,000
May 31	3%	900,000	Feb 28	7%	2,100,000
Feb 28	3%	900,000	1912—Nov 30	10%	3,000,000
1915—Nov 30	3%	900,000	Aug 31	3%	900,000
Aug 31	3%	900,000	May 15	2,900%	Stk.Div.
May 31	3%	900,000			
Total Dividends since the Dissolution.....					\$39,000,000

Properties—The company owns and operates refineries at Whiting, Ind.; Sugar Creek, Mo.; Alton, Ill.; Casper, Wyo., and Greybull, Wyo., each of which is connected with extensive pipe line systems. The company is building a sixth refinery at Wichita, Kan., which is adjacent to its newly acquired producing properties in the Butler County (Kan.) fields. The refinery at Whiting is within a short distance of Chicago and Lake Michigan, and is regarded as one of the largest and most modern plants in the world. The plant is completely equipped for the production of every product derivable from crude oil, and the buildings occupy nearly 400 acres of land. The capacity of the plant, which includes 92 crude stills and 200 Burton process pressure stills, is about 60,000 barrels of crude daily.

The refinery at Wood River, Illinois, near upper Alton, on the Mississippi River, is said to be one of the most modern refineries in this country. The plant had originally sixteen 1,000-barrels stills, but there were added between 1913 and 1916 more than 100 additional stills for the production of motor spirit. The plant occupies about 400 acres of ground, and additional land has recently been purchased to provide a frontage on the river. The capacity is 40,000 barrels of refined product daily. The company has added extensive improvements recently to enlarge the capacity of this plant for the refining of Oklahoma oil.

The Sugar Creek Refinery is located near Kansas City. The plant covers about 115 acres, has a capacity of 12,000 barrels and specializes in gasoline, motor spirits and fuel oil. Efforts to oust the company from operating in Missouri were successfully resisted in June, 1913, and with the suspension of the Supreme Court's writ of ouster, the management announced that \$1,000,000 would be spent in enlarging the Sugar Creek refinery and \$500,000 more in building up marketing stations throughout the state.

The company also has built a \$1,000,000 refinery at Casper, Wyo., adjacent to the Salt Creek and Big Muddy oil fields, where seventy stills are now in operation. Sixty of these are devoted to the manufacture of motor spirits, the company's new substitute for gasoline, and ten of them to make petroleum coke, a by-product from refinery waste used to make electric carbons. The company has a contract with the Midwest Refining Company to supply it with crude oil and distillate. The refinery at Greybull, Wyo., completed during 1917, consists entirely of Burton pressure stills operated on distillate furnished by the adjacent plant of the Midwest Refining Company.

During 1918, the company arranged through the Chamber of Commerce of Wichita, Kan., to build a \$1,000,000 refining plant to operate on crude oil from the nearby and prolific Butler County oil fields.

During August, 1917, the company purchased for \$1,500,000 the producing properties in Butler, Chautauqua and Montgomery counties, Kansas, of John A. Bell, Jr., and associates. Commenting on the purchase, Vice-President Drake said it was the forerunner of further acquisitions as favorable opportunities offered. Before consummating the purchase, the company obtained legal authorization from the State of Kansas to engage in the business of oil production.

Since February, 1913, the company has had an enormous growth in business through the installation at its refineries of a new process for cracking oil by which a high percentage of gasoline is obtained.

The process, which was devised by Dr. Wm. M. Burton, one of the company's directors, has opened the way for breaking up the hydro-carbons of petroleum into whatever combination is needed and condensing them under compression.

In the process, the vapor, instead of passing into condensers, as previously, is subjected to high temperature under a pressure of eighty pounds to the square inch. Since the installation of these pressure stills, the company now runs the oil from its crude stills, which formerly was used for fuel oil, through the Burton stills and obtains a high yield of low gravity gasoline, which undergoes a sweetening process and is then mixed with the first run gasoline.

Since the dissolution, Standard Oil Company, Indiana, has expended more than \$20,000,000 in refinery expansion and in building up its marketing service. Through its Burton Process stills, it has become the leading manufacturer of the world in the gasoline field, the present output of motor fuel from its five refineries being above 1,500,000 gallons a day. During 1917 the company produced and marketed 500,000,000 gallons of gasoline or about 25 per cent. of the total output of the country.

An officer of the company testified recently before the Federal Trade Commission that the company's gasoline output was running 20,000 barrels monthly below its marketing demands.

The Standard Oil Company, Indiana, maintains an extensive marketing organization, and has stations throughout Indiana; Michigan, Illinois, Wisconsin, Minnesota, Iowa, North and South Dakota, Kansas and Missouri. The company controls about 50 per cent. of the business of this territory in the face of the keenest competition from nearly 100 refineries in the Mid-Continent field.

In addition to its enormous gasoline business the company turns out nearly every by-product of crude oil. It has the largest candle works in the country, outside of the Pratt Works of the Standard Oil Company of New York. Its wax business has been particularly heavy since the outbreak of the war. During 1917, the company purchased the Karpen Building, one of the largest office buildings in Michigan Boulevard on the Chicago lake front. This investment is reflected in the increase in the "Real Estate item" in its 1917 balance sheet and also in the appearance of \$438,500 of First Mortgage bonds, which were outstanding on the property when acquired.

Another source of profit to the company is its royalties from leasing the rights to use the Burton process. Standard Oil of Kansas, Imperial Oil Company, Solar Refining, Tidewater Oil Company, Standard Oil Company of New Jersey

and Continental Oil Company, are now lessees of the process.

The company's balance sheet as of December 31, 1917, compares with the previous year as follows:—

Assets:		1917	1916	Change
Real Estate.....	\$6,856,708	\$4,220,743	+	\$2,635,965
Construction	*39,187,196	28,642,318	+	10,544,878
Personal Property	7,609,043	4,555,575	+	3,053,468
Accounts Receivable.....	9,261,156	6,917,147	+	2,344,009
Secur. & Other Invest..	18,043,643	13,142,028	+	4,901,615
Merchandise	41,417,364	25,538,088	+	15,879,276
Cash	4,559,607	3,399,092	+	1,160,515
Total Assets	\$126,934,717	\$86,414,991		\$40,519,726
Liabilities:				
Capital Stock	\$30,000,000	\$30,000,000		.....
First Mortgage Bonds..	438,500	.....	+	\$438,500
Accounts Payable	6,650,629	3,178,334	+	3,472,295
Surplus	†89,845,588	53,236,657	+	36,608,931
Total Liabilities	\$126,934,717	\$86,414,991		\$40,519,726

*Construction figures are arrived at after allowing \$12,-474,132 for accrued depreciation.

†Before providing \$17,000,000 for War Taxes.

The company does not furnish an Income Account but the increase to surplus of \$36,608,931, after dividends of \$7,200,000 indicates earnings (after depreciation of \$2,008,925) of \$43,-808,931, or at the rate of \$146 a share. This compares with earnings of \$100 a share in 1916. After providing \$17,000,000 or \$56.66 a share for War Taxes, the company had \$89.36 a share available for dividends. The year was in all respects the most notable in the company's history.

The expansion in the company's business during the year is revealed by an increase of over \$40,500,000 in assets, or nearly 47 per cent. Inventory increased \$15,879,276 in value and the construction account shows an addition of \$10,544,778 to plant. Working capital at the close of the year was \$66,631,141, an increase of \$20,813,119 during the year.

The growth of the company in earning power and equipment is shown in the following table:—

	Earnings	Rate	Real Estate and Plant	Surplus	Book Value
1917.....	\$43,808,931	146%	*\$53,652,947	\$89,845,588	†\$342.82
1916.....	30,043,376	100%	37,418,635	53,236,657	277.45
1915.....	15,898,376	53%	30,044,154	26,793,042	189.31
1914.....	6,590,924	21.9%	25,340,612	14,394,666	147.94
1913.....	14,687,696	48.9%	21,698,423	15,303,742	151.01
1912.....	‡10,500,000	35%	19,133,445	10,216,046	134.05

*After \$12,474,132 accrued depreciation. †After deducting \$56.66 a share for war taxes. ‡Estimated.

The growth in plant account in the last five years has been \$36,519,502 after depreciation, or better than 90 per cent. As a result of ploughing back earnings into the property, net profits have increased more than 200 per cent and net assets increased from \$40,216,046 on December 31, 1912, to \$119,845,588 on December 31, 1917, a gain of \$79,629,542. The average earnings over the last five years have been 74 per cent.

The Federal Trade Commission in May, 1918, lodged complaint against the company for alleged violations of the Clayton Act or the Federal Trade Commission Act. The charges relating to prices and methods of marketing are a rehash

of the charges set forth by the commission early in 1917 in its report on gasoline prices.

Officers—President—W. P. Cowan.

Vice-President—Lauren J. Drake.

Secretary and Treasurer—G. W. Stahl.

Asst. Secretary and Treasurer—Charles D. Gano.

Directors—W. P. Cowan, L. J. Drake, Alfred D. Eddy, Geo. W. Stahl, Wm. M. Burton.

Transfer Office—72 West Adams Street, Chicago, Ill.

Annual Meeting—First Thursday in March.

STANDARD OIL COMPANY (Kansas)

The Standard Oil Company of Kansas was incorporated in 1892 under the laws of Kansas.

Capital Stock—The capital stock is \$2,000,000. Par value, \$100. The original capital was \$500,000, which was increased in 1906 to \$1,000,000, and in May, 1913, to \$2,000,000.

Dividends—Since the dissolution, dividends have been paid as follows:—

1918—Jun 15	6%	\$120,000	1915—Sep 15	3%	\$60,000
Feb 28	6%	120,000	Jun 15	3%	60,000
1917—Dec 15	9%	180,000	Feb 27	3%	60,000
Sep 15	5%	100,000	1914—Jun 15	3%	60,000
Jun 15	5%	100,000	Feb 28	10%	200,000
Feb 20	5%	100,000	1913—Nov 29	13%	260,000
1916—Dec 15	5%	100,000	Sep 15	10%	200,000
Sep 15	5%	100,000	Jun 30	100%	Stk Div.
Jun 15	3%	60,000	Jun 30	10%	100,000
Feb 29	3%	60,000	Feb 28	7%	70,000
1915—Dec 15	3%	60,000	1912—Dec 14	5%	50,000
Total Dividends since the Dissolution.....					\$2,220,000

In November, 1916, the stockholders approved a resolution to amend the charter of the company to enable it to engage in the production and transportation of crude oil, and in November, 1917, it obtained legal permission from the State of Kansas to engage in the business of oil production, but so far it has not acquired producing properties.

Properties—The company's refinery was equipped during 1913 at a cost of \$500,000 with twelve high pressure stills of the new tower variety for the manufacture of "motor spirits" and forty stills of 300-barrel capacity.

Late in 1915, the company began the erection of twenty-two fire stills and five tar stills and three 150-foot cement smoke stacks. During 1916, these 27 additional stills were brought into operation to help relieve the gasoline stringency, making a total of 92, of which 60 are under the Burton patents, with the result of doubling the capacity of its gasoline production. To conserve its basic supplies, the company is not making fuel oil for the market. During 1917, the company began the erection of twenty additional stills to keep up with its growing business. The plant, including refineries, storage tanks, acid works, mechanical shop and pump house and clay restoring plant, covers fifty-six acres. The construction throughout is brick, steel and concrete.

The company manufactures gasoline and naphthas, motor spirits, refined oils, gas oil, black oils, road oils, fuel oil and petroleum coke. The company had been disposing of its products on contract until late in 1914, when it entered

actively into competition with other mid-continent refineries for the local jobbing trade.

The company's financial statement for year ending December, 1917, compares with the previous year as follows:

	1917	1916	Changes
Net Profit	\$2,487,629	\$1,270,313	+\$1,217,316
Reserve for Taxes.....	1,064,647	.....	+ 1,064,647
Dividends	480,000	240,000	+ 240,000
Balance to Surplus..	\$942,982	\$1,030,313	— \$87,331

Net profits for 1917 increased 96 per cent. over those of the previous year and were equal to 124.38 per cent. on the stock before deducting war taxes. The amount available for dividends, after allowing \$1,064,447 for war taxes, was equal to 71.15 per cent. on the company's \$2,000,000 capital stock compared with 63.51 per cent. in 1916 and 28.19 per cent. in 1915.

The company's balance sheet for year ending December 31, 1917, compares as follows:

Assets:	1917	1916	Changes
Real Estate and Plant....	\$2,306,948	\$2,120,449	+ \$186,499
Cash	731,841	520,586	+ 211,255
Securities	1,269,034	615,564	+ 653,470
Accounts Receivable.....	1,339,138	766,821	+ 572,317
Inventories	1,663,928	1,078,158	+ 585,770
Total Assets.....	\$7,310,889	\$5,101,578	+\$2,209,311
Liabilities:			
Capital Stock	\$2,000,000	\$2,000,000	.....
Accounts Payable	435,101	337,319	+ \$97,782
Depreciation Reserve.....	449,476	345,576	+ 103,900
Tax Reserve.....	1,064,647	.....	+ 1,064,647
Surplus	3,361,665	2,418,683	+ 924,982
Total Liabilities.....	\$7,310,889	\$5,101,578	+\$2,209,311

The balance sheet shows an increase of \$2,209,311 in assets over the previous year. Noteworthy increases were \$653,470 in Securities owned, \$572,319 in accounts receivable and \$585,770 in inventories. Working capital at December 31, 1917, amounted to \$3,504,193, compared with \$2,643,810 at the close of 1916. After paying \$480,000 (24%) in dividends, the company increased its surplus \$942,982 and increased its book value from \$220.93 at the close of 1916 to \$268.08 at December 31, 1917.

The company's developments since the dissolution is illustrated comparatively as follows:

Year	Earnings	Rate	Plant	Surplus	Book Value
1917...	\$2,487,629	124.3%	*\$2,306,948	†\$3,361,665	\$268.08
1916...	1,270,313	63.5%	2,210,449	2,418,683	220.93
1915...	563,946	28.1%	1,490,033	1,468,369	173.41
1914...	33,218	16.6%	1,394,872	1,144,423	152.22
1913...	1,912,627	95.6%	1,102,092	1,371,105	168.55
1912...	1,106,190	†110.6%	591,940	1,088,479	‡208.84

*After \$449,476 accrued depreciation. †After reserving \$1,064,647 for war taxes. ‡On \$1,000,000 capital.

In the last five years the company has increased its plant account by \$1,815,008 after depreciation, with a resultant

heavy increase in earning capacity. When it embarks in the producing business, which it is now authorized to do, the scope of its earning power will be still further enlarged and this will lead inevitably to another capital adjustment.

Net assets of the company on December 31, 1911, were \$1,032,289, as against \$5,361,665 on December 31, 1917, indicating an average yearly growth of \$721,562 in book value, after dividends, since the dissolution. Omitting the two years, 1914 and 1915, when the company suffered not only from the stagnation induced by the outbreak of the war, but also through a radical change in the method of marketing its products, the company has shown average earnings in four years of \$1,694,185 or at the rate of 84 per cent.

Serving a territory in which there is a very heavy demand for gasoline and lubricants for automobiles and farm tractors and with ample supplies of crude oil adjacent to its plant, the company seems reasonably sure of maintaining its high earning power.

Officers—President—J. C. McDonald.

Vice-President—Thomas Black.

Secretary and Treasurer—E. A. Warren.

Directors—The above-mentioned officers and in addition A. S. Hopkins and A. L. Morrison.

Transfer Office—Neodesha, Kansas.

Annual Meeting—Second Wednesday in May.

STANDARD OIL COMPANY (Kentucky)

The Standard Oil Company of Kentucky was incorporated in 1886 under the laws of Kentucky.

Capital Stock—\$6,000,000; par value, \$100. The capital stock was originally \$600,000, but it was increased to \$1,000,000 in 1892. In December, 1913, the stockholders voted to increase the capitalization from \$1,000,000 to \$3,000,000, and on February 1, 1917, the stockholders again voted to increase the capital from \$3,000,000 to \$6,000,000.

In connection with each increase in capital stock, the stockholders were awarded a cash dividend with the privilege of accepting new stock in payment.

Dividends—Since the dissolution dividends have been paid as follows:

1918—Apr 1	3%	\$180,000	1915—Oct 1	4%	\$120,000
Jan 2	3%	180,000	Jul 2	4%	120,000
1917—Oct 1	3%	180,000	Apr 1	4%	120,000
Jul 2	3%	180,000	Jan 2	4%	120,000
May 1	100%	Stk. Div	1914—Oct 1	4%	120,000
Apr 2	5%	150,000	Jul 1	5%	150,000
Jan 2	5%	150,000	Apr 1	5%	150,000
1916—Oct 1	5%	150,000	Feb 14	200%	Stk. Div.
Jul 1	5%	150,000	Jan 2	5%	50,000
Apr 1	5%	150,000	1913—Oct 1	5%	50,000
Jan 2	5%	150,000	Jul 1	5%	50,000
Total Dividends since the dissolution.....					\$2,670,000

Income Tax Notice—Of the 100 per cent. dividend paid May 1, 1917, \$1,382,334 is declared out of profits earned prior to March 1, 1913, and the remainder, \$1,617,666, is declared out of profits earned since that date.

Properties—This is a marketing company, operating in southern Indiana and Illinois and south of the Ohio River and east of the Mississippi. At the time of its organization, the

company purchased the various plants and marketing stations of the Chess-Carley Company throughout the Southern States. It also purchased all the properties of the Consolidated Tank Line Company in 1892. The company's main distributing stations are located at Louisville and Covington, Ky.; Birmingham, Ala.; Jacksonville, Fla.; Atlanta, Ga., and Jackson, Miss.

The company announced late in 1916, the purchase of a large river front acreage at Louisville and the approval of plans for the erection of a refinery. Construction already is under way. The refinery when completed will cost \$1,000,000, employ 200 men and have an annual output of 500,000 barrels of gasoline, in addition to other by-products. The refinery will operate on Kentucky and Oklahoma crude oils. Completion of the refinery has been delayed owing to difficulty in obtaining deliveries of material. The company expects, however, to have the plant completed and in operation by the end of 1918.

Standard Oil Company of Kentucky's financial report for 1917 compares as follows:—

	1917	1916	1915
Net Profits	*\$1,967,020	\$2,068,598	\$1,124,640
Dividends ..	†660,000	600,000	480,000
Surplus . .	\$1,307,020	\$1,468,598	\$644,640

*After setting aside estimated Federal Income and War Tax Reserve of \$560,000.

†In addition, the company distributed a 100 per cent stock dividend on May 1, 1917.

The company Balance Sheet as of December 31, 1917, compares with previous year, as follows:—

Assets	1917	1916	Change
Plant Imp. and Equip...	\$5,232,280	\$3,524,003	+\$1,708,277
Merchandise . .	3,642,129	2,402,274	+ 1,239,855
Cash Accts. Receiv. and Other Investments....	3,318,570	3,553,854	— 235,284
Total Assets.....	\$12,192,979	\$9,480,131	+\$2,712,848
Liabilities:	1917	1916	Change
Capital Stock	\$6,000,000	\$3,000,000	+\$3,000,000
Accounts Payable	1,771,109	1,116,767	+ 654,342
Reserve Accrued Deprec.	1,331,314	1,148,719	+ 182,595
Insurance Funds.....	174,211	165,320	+ 8,891
Federal Income and War Tax Reserve.....	560,000	.....	+ 560,000
Surplus . .	2,356,345	4,049,325	— 1,692,980
Total Liabilities...	\$12,192,979	\$9,480,131	—\$2,712,848

The above earnings, after deducting \$560,000 as an allowance for Federal Income and War Tax Reserve, are equal to 32.78 per cent. earned in 1917 on \$6,000,000 capital stock outstanding at the end of the year and equal to 65.56 per cent. on the former capitalization. This compares with earnings of 68.95 per cent. in 1916 and 37.4 per cent. in 1915 on \$3,000,000 capital stock outstanding in those years. Book Value of the stock was \$142 a share on December 31, 1917. The balance sheet shows a large increase in plant account, presumably representing the new refinery at Louisville. The company apparently enjoyed a large increase in its gross earnings during the year and net earnings before taxes show a growth of 25 per cent. over the previous year.

The company's growth since the dissolution is shown comparatively as follows:

	Earnings	Cash Dividends	Net Current Assets	Capital & Surplus
1917.....	*\$2,527,020	\$660,000	\$5,189,590	*\$8,356,345
1916.....	2,068,598	600,000	4,839,361	7,049,325
1915.....	1,124,640	480,000	3,664,410	5,580,727
1914.....	704,376	470,000	3,272,027	4,936,086
1913.....	1,002,457	100,000	2,762,922	4,701,710
1912.....	Not reported	None	2,008,749	3,799,253

*After setting aside \$560,000 for war taxes.

Officers—President—C. T. Collings.

Vice-President—C. H. Stansbury.

Secretary and Treasurer—Joseph C. Steidle.

Assistant Secretary—S. W. Coons.

Directors—C. T. Collins, C. H. Stansbury, S. W. Coons, J. C. Steidle, James B. Brown, A. K. Whitelaw and C. G. Middleton.

Transfer Office—426 West Bloom Avenue, Louisville, Ky.

Annual Meeting—First Thursday in February.

STANDARD OIL COMPANY (Nebraska)

The Standard Oil Company of Nebraska was incorporated in 1906 under the laws of Nebraska.

Capital Stock—The capital stock is \$1,000,000, having been increased from \$800,000 in 1913, to which amount it was increased from \$600,000 in 1912.

Dividends—Dividends have been declared as follows:

1918—Jun 20	10%	\$100,000	1914—Jun 20	10%	\$100,000
1917—Dec 20	10%	100,000	1913—Dec 20	15%	150,000
Jun 20	10%	100,000	Jun 20	25%	Stk. Div.
1916—Dec 20	10%	100,000	Jun 20	15%	120,000
Jun 20	10%	100,000	1912—Dec 20	10%	80,000
1915—Dec 20	10%	100,000	Jun 20	10%	80,000
Jan 20	10%	100,000	Apr 15	33 1-3%	Sk. Div.
1914—Dec 20	10%	100,000			
Total Dividends since the Dissolution.....					\$1,330,000

Properties—This is exclusively a marketing company, operating more than 130 distributing stations in Nebraska. It handles the products of Standard Oil Company, Indian Standard Oil Company, Kansas, and the Midwest Refining Company, of Casper, Wyoming.

No statement of earnings has been issued, but the Federal Trade Commission reports that in 1915, the company earned \$561,914, or at the rate of 56.19 per cent. On December 31, 1915, the company had a capital and surplus of \$1,858,707. As later earnings were at a higher rate, the company probably has a book value around \$2,500,000.

Officers—President—A. H. Richardson.

Vice-President—George M. Smith.

Secretary—H. L. Alleman.

Assistant Secretary—Jas. A. Gilmore.

Treasurer—R. C. McIntosh.

Transfer Office—Brandels Building, Omaha, Nebraska.

Annual Meeting—First Monday in January.

STANDARD OIL COMPANY of New Jersey

(Reorganized Company)

In accordance with the decision of the United States Supreme Court rendered on May 15, 1911, the Standard Oil Company of New Jersey divested itself of the control of thirty-three subsidiary companies which previously had been closely affiliated through co-ordinate trade relations. The re-organization took effect as of December 11, 1911.

Capital Stock—The capital stock of the re-organized company is \$100,000,000, of which \$98,338,300 is outstanding. Par value, \$100.

Dividends—Since re-organization, dividends have been declared and paid as follows:—

1918—Jun 15	5%	\$4,916,919	1914—Dec 15	5%	\$4,916,919
Mar 15	5%	4,916,919	Sep 15	5%	4,916,919
1917—Dec 15	5%	4,916,919	Jun 15	5%	4,916,919
Sep 15	5%	4,916,919	Mar 15	5%	4,916,919
Jun 15	5%	4,916,919	1913—Dec 15	5%	4,916,919
Mar 15	5%	4,916,919	Sep 15	5%	4,916,919
1916—Dec 15	5%	4,916,919	Jun 15	5%	4,916,919
Sep 15	5%	4,916,919	Mar 15	5%	4,916,919
Jun 15	5%	4,916,919	Feb 15	40%	39,335,352
Mar 15	5%	4,916,919	1912—Dec 15	5%	4,916,919
1915—Dec 15	5%	4,916,919	Sep 15	5%	4,916,919
Sep 15	5%	4,916,919	Jun 15	5%	4,916,919
Jun 15	5%	4,916,919	Mar 15	5%	4,916,919
Mar 15	5%	4,916,919	1911—Dec 15	7%	6,883,686
Total Dividends since Dissolution..... \$174,058,932					

The special distribution of \$40 per share resulted from the accumulation of funds due to the settlement of loans made to the various former subsidiaries prior to dissolution.

Properties—By virtue of the broad character of its charter, the Standard Oil Company of New Jersey is naturally a holding company, while its diversified functions in operations constitute it a complete cycle in the industry, being a producer, refiner and transporter, as well as marketer of crude oil and its products in all parts of the world.

Business—With the inauguration of its policy of industrial democracy in its plants, the company began the publication of a house organ called "The Lamp." In the first issue, of May, 1918, the company asked and answered the question "What is the Standard Oil Company?" in the following comprehensive manner:

"The Standard Oil Company!

"What volumes of romance have been written around and about that name! What realms of colorful fiction the mere mention of it can inspire! With what transcendent sagacity it has been endowed by a hundred historians, and what would be the monumental range of its activities, and the completeness of its control of all forms of modern industry if the old time newspaper paragrapher were always right. There was for many years no enterprise too obscure, no undertaking too great, to be immune from the suggestion of Standard Oil auspices. One has but to consult the veracious chroniclers of the past to discover in the development of dairy lunch systems, the financing of fantastic patents, the creation of banking trusts, the success of a popular chewing gum or the downfall of a political party, the dominant hand and mind of the Standard Oil.

"When a man on the street said, 'The Standard Oil people are in this,' he was probably honestly retailing what he heard

from some one who didn't know. When a newspaper story went on to say, 'It is well known that the Standard Oil Company is behind the project,' it meant probably that there was no one else handy to blame, and anyway the use of the name made the story look important.

"The times are changing more rapidly than most of us realize, and as knowledge spreads, many illusions and misconceptions of the misty past are dissipated. It is quite possible, however, that some readers of *The Lamp*—the employees of the Standard Oil of New Jersey—are not informed as to the scope of our operations, and for their benefit a word or two of the activities of the company may be in order just here.

"The dissolution of the Standard Oil Company left the Standard Oil Company of New Jersey, a manufacturing enterprise, with a large foreign business. The company drills oil wells, pumps them, refines the crude oil into many forms and sells the product—mostly abroad. It does nothing else. It has 8,000 stockholders, and among them are many prominent in important enterprises. The company itself is only concerned in the oil and natural gas business. The producing end of this business is carried on through its subsidiary, the Carter Oil Company. This company, however, furnishes only a limited proportion of the crude which is run through the company's refineries, the balance being purchased from day to day in the open market being produced by thousands of other oil operators. From the producing fields the oil is transported by means of pipe lines across the continent to the company's interior refinery, or to the refineries at the Atlantic seaboard in the neighborhood of Bayonne and Baltimore.

"The company's position in respect to the pipe lines, however, is the same as its position in respect to the railroads, that of a shipper. The company's refinery in Mexico is of course supplied from the Mexican field, and in addition, large quantities of crude are brought from Mexico to the New Jersey refineries, by tank steamers. From the crude thus received, either by pipe line or by tank steamer, the refineries manufacture gasolene, naphtha, refined oil, fuel or gas oil, road oils, lubricating oils, paraffin oils and refined wax and many other commodities. To provide containers for the various products which it produces, the company operates factories for the manufacture of cases and cans, and wooden and iron barrels. The company maintains marketing stations at all important points in New Jersey, Maryland, West Virginia, Virginia, North and South Carolina, and the District of Columbia. The selling end of the business, in addition to providing for the needs of the domestic territory is largely concerned with the foreign trade which constitutes an important percentage of the company's business. Importing plants and distributing stations have been established in Europe, South and Central America, Porto Rico, Cuba and the West Indies.

"For its foreign and domestic business the company has at present in service and under construction in this country **fifty-four** ocean-going vessels having a total dead weight capacity of 486,480 tons. In spite of some considerable losses through enemy attack the company's vessels constitute the largest individual fleet flying the American flag. The total fleet built and under construction in American yards since the outbreak of the European war aggregates twenty-four steamers of a deadweight capacity of 286,100 tons.

"But the most valuable possession of the company is intangible—it is the spirit which pulsates throughout the organization—the mastery of business detail gained by the intimate and long experience of the veterans in its service—the greatest asset is in short the oft-proved loyalty and tested capacity of its employees."

Refining Properties—The company directly and through subsidiaries operates extensive and modern refineries in the Western Hemisphere as follows:

Location	Charging Capacity (Barrels)
Bayonne, New Jersey.....	45,000
Bay Way, New Jersey.....	25,000
Jersey City, New Jersey.....	15,000
Parkersburg, West Virginia.....	2,500
Baltimore, Maryland	6,000
Baton Rouge, Louisiana.....	40,000*
Yale, Oklahoma	25,000†
Sarnia, Canada	15,000
Vancouver, B. C.....	4,500*
Regina, Canada	2,000*
Halifax, Nova Scotia.....	2,000*
Talara, Peru	6,000*
Tampico, Mexico	10,000†

Total daily charging capacity..... 198,000

*When extensions under way are completed.

†Used only as a Topping Plant.

At its Bay Way, N. J., works the company installed during 1916 one hundred and fifty Burton pressure stills, whereby it has increased its gasoline output 1,500,000 barrels (50 gallons capacity) annually.

In addition to the above, the company operates a refinery in Roumania, where its subsidiary, the Romana-Americana, has important producing properties. The company also operates a benzine plant at Regensburg, Germany.

The company also, through a group of foreign subsidiaries, owns storage installations, marketing stations and equipment in France, Belgium, The Netherlands, Scandinavia, Germany, Roumania and Italy.

Pipe Line Properties—In order to supply crude oil to its New York and Baltimore refineries, the company owned and operated a pipe line system having a daily capacity of nearly 98,000 barrels. These pipe lines are located as follows:

1. Extending from Centerbridge, on the boundary line of New Jersey and Pennsylvania, to the Bay Way and Bayonne refineries.
2. Extending from Unionville, on the boundary line of New York and New Jersey, via Newfoundland and Saddle River, N. J., to the Bayonne Refinery and the Hudson River.
3. Extending from Fawn Grove, Pa., on the boundary line of Pennsylvania and Maryland, to the Baltimore refinery.

In addition to the above lines, there is also a short pipe line connecting the Bayonne and Jersey City refineries, and five lines carrying refined oil between Bayonne and Bay Way.

Under the recent decision of the Supreme Court these lines have been classed as common carriers. As this placed control of these operations under the Interstate Commerce Commission it was deemed advisable to turn them over to separate corporations. Accordingly, the pipe lines extending from Fawn Grove, Pa., to Baltimore, Md., have been sold to the Maryland Pipe Line Company.; the line between Bayonne and Centerbridge, Pa., has been sold to the Tuscarora Oil Company, Ltd.; the line between Unionville, N. Y., and Sad-

dle River, N. J., which branches from there to Bayonne, N. J., and Hunter's Point, Long Island, has been sold to the New York Transit Company.

Marine Properties—Befitting its premier position as an international marketing organization, the company operates the largest fleet of tank ships on the seas, all of those in active service at the present time flying the Stars and Stripes.

The dead-weight tonnage of the fleet in operation is 486,480 tons and there are under construction in American ship yards for future delivery, fifteen additional tankships.

Lloyd's Register for 1916-17 shows the following bulk oil and case oil carriers owned by Standard Oil Company of New Jersey:—

Vessel	Gross Tonnage	Vessel	Gross Tonnage
Ardmore	7,129	Motuno	2,730
Baton Rouge	4,973	Moonlite	1,956
Bayway	5,083	Mareni	4,045
Bradford	6,306	Muskogee	7,225
Brindilla	4,171	Petrolite	3,710
Caddo	6,329	Pioneer	5,075
Caloria	4,095	Platuria	3,445
Charles Pratt	9,059	Polarine	4,046
Communipaw	3,710	Princeton	5,081
Cushing	6,894	Somerset	5,079
Dawnlite	1,956	Standard	10,073
Daylite	1,956	Starlite	1,956
Dayton	5,335	Sunlite	1,956
De Soto	6,268	Twilite	1,956
Glenpool	5,449	William Rockefeller..	10,900
H. H. Rogers.....	10,900	Wico	2,748
John D. Archbold...	8,374	Westoil	2,172
John D. Rockefeller.	8,374		
Matinicock	6,766	Total.....	187,280

Newly Launched or Under Construction

Vessel	Gross Tonnage	Vessel	Gross Tonnage
Benjamin Brewster..	5,605	H. M. Flagler.....	8,374
James McGee.....	10,900	F. D. Asche.....	8,374
W. C. Teagle.....	9,100	William G. Warden..	9,059
S. V. Harkness.....	6,400	W. H. Tilford.....	5,605
Josiah Macy	6,400	J. A. Bostwick.....	8,490
F. Q. Barstow.....	10,900	O. T. Waring.....	5,605
O. B. Jennings.....	10,900		
Fred. W. Weller.....	10,500	Total.....	126,712
A. C. Bedford.....	10,500		

Accessory Plants—The company also operates a Can and Case factory which has a capacity of 6,000 cases per hour, each case containing two tin cans of five gallons capacity each. The daily output of this factory averages 60,000 cases containing 600,000 gallons of oil, and over 1,000,000 cases per month, which are exported.

The company also has in operation as auxiliaries of its business, barrel factories, cooperage plants, canning plants, glue factories and pipe shops.

In complying with the decree of the United States Supreme Court, directing a dissolution of trust relations, the company did not find it imperative to dispose of all of its holdings in

subsidiary companies. Therefore, the securities of the following companies are retained, as indicated hereinafter:

COMPANY	Total Capital Stock	P. C. of Stock Owned by S. O. of N. J.
American Petroleum Company.....	\$3,140,000	51.3%
Bedford Petroleum Company.....	350,000	99.3%
Carter Oil Company.....	*25,000,000	100.0%
Clarksburg L. & H. Company.....	100,000	51.0%
Deutsch-American Petroleum Co....	M9,000,000	100.0%
Gilbert & Barker Mfg. Company....	40,000	100.0%
Hazlewood Oil Company.....	.....	.....
Hope Natural Gas Company.....	500,000	100.0%
†Imperial Oil, Ltd.....	**50,000,000	80.0%
Imperial Oil Company, Ltd.....	28,547,280	80.0%
Interstate Cooperage Company..	200,000	100.0%
†International Petroleum Co., Ltd..	5,944,743	.....
Marion Oil Company.....	100,000	50.0%
Oklahoma Pipe Line Company....	5,000,000	100.0%
Penna. Lubricating Company.....	50,000	60.0%
Peoples' Natural Gas Company.....	1,000,000	100.0%
River Gas Company.....	190,000	52.6%
†Romano-Americana	5,000,000	.....
Standard Oil Company of Brazil....	500,000	100.0%
||Standard Oil Company of Louisiana	10,000,000	100.0%
Soc. Italian-American Petroleum....	1,000,000	60.0%
Taylorstown Natural Gas Company.	10,000	30.0%
Underhay Oil Company.....	25,000	98.8%
§West India Oil Company.....	3,000,000	99.3%
West India Oil Refining Company...	300,000	50.0%
West Virginia Oil Company.....	200,000	50.6%

*Increased from \$2,000,000 in 1917.

†Increased from \$5,000,000 in 1917.

‡Subsidiary of Imperial Oil Company.

†Capitalization doubled out of 1913 earnings.

§Capital increased from \$100,000 in July, 1915.

**Authorized capital not yet distributed.

This shows that the company controls subsidiaries capitalized at over \$100,000,000.

Among the forementioned controlled companies are several possessing valuable properties of large production. Nine of the subsidiary companies are foreign and the balance American companies, producing crude oil and natural gas. Standard Oil of New Jersey controls ten natural gas companies, the stock of which was valued at \$15,176,899 in 1906.

The company's attorneys recently made a statement before the Federal Trade Commission that one-fifth of the company's net profits were derived from its natural gas properties.

Like the parent company, some of the above-mentioned controlled companies, are complete cycles in the oil industry. Among the important companies of that class are the Imperial Oil Company, and its new subsidiary, the International Petroleum Company, Ltd.; Standard Oil Company of Louisiana, and the Romano-Americana Oil Company. The more important of these companies are described in detail hereafter.

Earnings—No financial statements are issued by the company but the Federal Trade Commission in its report on

gasolene (April, 1917) gives the following review of the company's operations during 1915:—

Net Profits, 1915.....	\$51,591,569
Dividends	19,667,660

Balance to Surplus.....	\$31,923,909
Capital and Surplus, January 1, 1915.....	249,979,868

Net Assets, January 1, 1916.....	\$281,903,777
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Earnings were at the rate of 52 per cent. on the \$98,-338,383 capital stock outstanding, or at the rate of 20.6 per cent. on the company's total investment.

As 1915 was only a fairly profitable year in the oil industry, it may be inferred conservatively that earnings during 1916 were on a higher basis.

An interesting comparison may be found by referring back to the figures taken off by the government experts in the dissolution suit. These give the 1906 earnings of the old company as follows:

Net Profit, own business.....	\$9,571,996
Dividends from Subsidiary Corporations.....	53,227,387
Net Increase in Book Value of Corporate Stocks	
Carried as Investment.....	20,322,869

	\$83,122,252
Dividends	39,335,320

Carried to Surplus.....	\$43,786,932
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In the eight-year period 1899-1906 earnings of the Standard Oil Company of New Jersey and all subsidiaries, averaged \$51,000,000. The parent company has therefore reached in five years of independent operation, the same earning power which it enjoyed ten years previously when working as a unit with its thirty-three subsidiaries.

General Remarks—Standard Oil Company of New Jersey's trade activities are largely international. With the dissolution, the company retained for its domestic marketing territory only the States of New Jersey, Delaware and Maryland and through its Louisiana branch, the States of Louisiana, Arkansas and Mississippi. Domestic business constitutes only a small fraction of the company's enormous operations. In 1915, the company exported 179,982,931 gallons of gasolene, or 57 per cent. of total gasolene exports for the year.

The reason for this abandonment of domestic business to its onetime subsidiaries had its basis in politico-economic conditions. In the first place the enormous resources of the parent company, would have made real competition with its segregated companies, impossible without leading to the ultimate extinction of the latter and the recreation of the monopoly, which the government had opposed. In the second place, the parent company had been so long the object of aggressive activity by those who found in baiting "big business" an easy avenue to political preferment, that its activities in the domestic field would have invited continued hostility from the same sources. The directing minds of the great corporation, whose patriotism is on a par with their business ability, set themselves to the task of maintaining American supremacy in the oil trade of the world.

At the outset of the war, the company's operations were hampered seriously not only through the suspension of its

business with Germany and Belgium, which furnished it the largest markets for its illuminating oil, but also by the shutting off of its largest avenue of ocean transportation through the enormous fleet of tankers operated under the ownership of its German subsidiary, the Deutsche-Amerikanische Petroleum Gesellschaft. This fleet consisted of forty tankers, all under German registry. Through the amendment to our shipping laws passed after the outbreak of hostilities, it was possible to transfer all of these vessels, except a few tied up in German ports, to American registry. The company also was hampered by British interference with its cargo consignments to neutral European countries, but diplomatic representations finally effected arrangements to obviate further delays and thereafter the volume of the company's exports regained normal proportions.

More recently the company suffered severe loss through the destruction of its valuable producing properties, refineries and storage tanks in the Roumania fields.

Officers—Chairman—A. C. Bedford.

President—W. C. Teagle.

Vice-President—F. W. Weller.

Vice-President—F. H. Bedford.

Vice-President—F. D. Asche.

Treasurer—S. B. Hunt.

Secretary—Charles T. White.

Assistant Secretary—M. H. Eames.

Directors—F. D. Asche, A. C. Bedford, F. H. Bedford, S. B. Hunt, Walter Jennings, Henry M. Tilford, O. T. Waring, F. H. Weller and George H. Jones.

Transfer Agent—Guaranty Trust Company, New York.

Annual Meeting—Second Tuesday in January.

The principal foreign and domestic subsidiaries of the Standard Oil Company of New Jersey are described briefly as follows:—

Imperial Oil Company, Ltd.

Capital, \$50,000,000. Outstanding, \$28,547,280.

The original capital was \$1,000,000, which was increased later to \$6,000,000. In July, 1913, the capital was again raised to \$15,000,000, of which \$11,000,000 was issued, and the company obtained from the Dominion of Canada an amended charter with extremely broad powers.

In November, 1915, the stockholders authorized a capital increase to \$50,000,000, to put the company in position to take care of any future growth in its business. A stock dividend of 100 per cent. was declared in December, 1915.

Stockholders of record December 14, 1917, received rights to subscribe at par to December 27, 1917, to one new share for every five held, thus increasing the outstanding stock on January 1, 1918, to \$28,547,280.

At the same time, it was announced that a subsidiary company, the Imperial Oil, Ltd., had been incorporated under the Dominion laws with a capital of \$50,000,000, to take over the refining and marketing properties of the parent company. No announcement of the consummation of the plan has been made, but it is intimated that the parent company will receive and distribute the new stock, share for share. The company owns a majority of the stock of the International Petroleum Company, Ltd.

Dividends—The company paid 12 per cent. annually on its \$11,000,000 capitalization and is now paying 4 per cent. semi-annually on \$28,547,280 on March 1 and September 1.

Properties—When its Halifax refinery is completed, the company will be operating four refineries in British North America, one on the Atlantic seaboard at Halifax, receiving crude oil by tankship from Trinidad, Mexico and the United States Gulf Coast; one on the Pacific Coast at Vancouver, receiving crude oil from California and Peru; one at Regina, in Saskatchewan, to supply the great wheat-raising country, and one at Sarnia, Ont., in the heart of Canada's industrial section and adjacent to the Great Lakes. The company also operates a topping and asphalt plant at Montreal, a compounding and marketing station at Quebec, and is considering the erection of a plant at Toronto. With the completion of the Halifax plant, the company will have a daily refining capacity of 25,000 barrels. The company maintains supply and marketing stations throughout the Dominion.

Oil is supplied to the Sarnia refinery through the company's subsidiary, the Imperial Pipe Line Company, Ltd., which operates an 8-inch line, 155 miles in length, from Sarnia to Cygnet, Ohio, where it connects with the Buckeye Pipe Line. The Vancouver refinery is supplied with crude by the International Petroleum Company, Ltd., which operates a fleet along the Pacific Coast from its Peruvian field. The new refinery at Regina is supplied by oil from the Montana and Wyoming fields. Raw material for the new Halifax refinery will be brought in tankships from Trinidad.

The Sarnia refinery, which spreads over 96 acres has been rebuilt practically in the last three years. The latest additions are two batteries, each containing ten pressure stills of the Burton variety for producing motor spirit. These stills have a daily capacity of 6,000 barrels daily.

There are also thirty-six stills of 7,000 barrels capacity, twelve of the old type, sixteen modern tower stills, four continuous run stills, four reducing stills and four tar stills. The refinery also operates a grease factory, wax plant, acid plant and candle factory. It also manufactures its own cans, cases and barrels and has a boiler shop and foundry in which it constructs its own tank cars and storage tanks. The company's employees erected entirely the large and modern office building on the refinery grounds. Another subsidiary, the Perfection Company, manufactures and sells Perfection oil stoves.

In order to handle its growing business in western Canada, the company expended \$1,000,000 during 1915 in completing a modern refinery and shipping station at Impoco on Burrard Inlet, near Vancouver, B. C. There is deep water navigation and rail connection to the plant. This plant covers 83 acres and is now operating six modern stills with a capacity of 1,500 barrels daily. A battery of ten Burton pressure stills has been installed giving the refinery an additional capacity of 3,000 barrels daily and largely increasing its gasoline output.

In its marketing business, the company operates 550 marketing stations of which ten are bulk storage stations located at Sault St. Marie, St. Catherine's, Toronto, Montreal, Halifax, Brockville, Prince Rupert and Impoco, near Vancouver. At Fort William there is tankage for 6,000,000 gallons and at West Fort for 550,000 gallons. Three steel storage tanks of 40,000 barrels each have been erected recently at the Sarnia plant and two 37,500 barrel tanks for asphaltic oils and a large gasoline tank have been erected at Toronto.

The company owns and operates about 1,000 modern tank cars as part of its marketing equipment.

To supply its trade on the Great Lakes and handle the output of its seaboard refineries, the company maintains an extensive fleet of tank steamers and barges.

The gross tonnage in operation on January 1, 1917, was 23,895 tons, as follows:—

Vessel	Tonnage	Vessel	Tonnage
Imperial.....	796	Polarine	3,286
Imperoyal.....	2,253½	Retlaw	4,061
Impoco.....	2,257	Royalite	2,300
Iocolite.....	2,300	Sarnolite	2,300
Iocoma.....	1,669	Talaralite	2,300
Kaministique	2,773	Torontolite.....	2,300

The four vessels of the Sarnolite class are 250 feet long, 43 feet beam and 58 feet moulded depth, the dimensions permitting their use as ocean going vessels and also making it possible for them to pass in and out of the existing canal system between the Atlantic and the Great Lakes. They will carry Trinidad crude to the Halifax refinery as the Imperoyal and Impoco are now carrying Peruvian oil to the Vancouver refinery.

As the company's stock is not in the hands of the general public, no financial statement is issued. It is reported that net profits in 1917 were in the neighborhood of \$16,000,000, a result that can be ascribed to the investment of \$10,000,000 in plant expansion in the last five years.

The company subscribed \$1,000,000 to each of the three recent Canadian war loans.

Officers—President—W. H. Hanna.

Vice-President—J. L. Englehart.

Vice-President—G. W. Mayer.

Vice-President—C. O. Stillman.

Secretary-Treasurer—W. T. McKee.

Directors—The above and A. S. Rogers, J. P. Rogers, W. C. Teagle, G. H. Smith, W. W. Oswald and T. H. Smallman.

Registered Offices—Sarnia, Ontario, Canada.

Administration Office—Dominion Bank Bldg., Toronto, Can.

Imperial Oil, Ltd.

Chartered December 14, 1917, under the laws of the Dominion of Canada.

Capital Stock—Authorized, \$50,000,000. Par value, \$100.

Business—The company was organized "to acquire and take over as a going concern the refining of petroleum and the business of marketing petroleum and its by-products now carried on in the Dominion of Canada and Newfoundland under the style or name of The Imperial Oil Company, Ltd.," in pursuance of a formal agreement made under date of December 11, 1917, between the Imperial Oil Company, Ltd., and A. M. McQueen, as trustee.

The charter of the new company gives it very wide powers not only in connection with the business of refining and marketing petroleum products, but in the way of investment of surplus funds, the holding of shares in other companies and in dealing in and operating farm and other properties. The company is authorized to carry on its business "in any province of the Dominion of Canada and in any and all foreign countries."

Provisional Directors—Walter Clarke Teagle, Charles Orrin Stillman, George William Mayer, Gilead Harrison Smith, and Hon. W. J. Hanna.

Corporate Office—Dominion Bank Bldg., Toronto, Ont.

International Petroleum Co., Ltd.

Chartered in September, 1914, under the laws of the Dominion of Canada.

Capitalization	Authorized	Issued	-Par
Preference Shares	£100,000	£100,000	£1
Ordinary Shares	3,900,000	1,151,525	1

The Preference shares are not redeemable and non-cumulative. They enjoy a preference to assets in liquidation but the Ordinary shares have priority as to dividend up to 6 per cent

Dividends—An initial dividend of 50 cents a share was paid January 28, 1918, to holders of share warrants. Dividends are payable at the Farmers' Loan & Trust Company, New York and London, or the Royal Bank of Canada, Toronto.

Earnings—The company reported to the Toronto Stock Exchange (in October, 1917,) net profits of \$905,614 for the year ended December 31, 1917. This was at the rate of 15½ per cent. on the 1,151,125 ordinary shares outstanding.

The company reported its assets as follows:

Property Assets	\$6,223,600
Other Investments	346,000
Inventories	1,942,000
Accounts Receivable.....	2,177,000
Cash	498,000
	<hr/>
	\$11,186,600

The balance credited to profit and loss for the year was \$905,614, against a carry over of \$395,482 from the previous year.

The company was organized as a subsidiary of the Imperial Oil Company, Ltd., to take over the producing territory, refining and transportation properties and the marketing business of the London and Pacific Petroleum Company, Ltd., and the Lagunitos Oil Company, Ltd., both English companies operating in Peru.

The London and Pacific Petroleum Company was registered in London in 1889 and has a ninety-nine-year lease on extensive tracts of oil lands adjacent to the Port of Talara in Peru, where its refinery, tank farm and sea loading station is located. The company was capitalized for £250,000 preference shares and £390,000 debentures have been issued. The company paid £200,000 in preference shares and royalties for its producing lands. Since 1912, the company has paid 6 per cent. dividends. The latest earnings reported were £11,978 in 1911 and £51,832 after deducting £29,997 for depreciation in 1912.

The Lagunitos Company was capitalized for £30,000 preference shares and £220,000 common shares and paid the London and Pacific £25,000 cash and £125,000 in ordinary shares for a concession to develop certain territory. This company's production was 3,722 tons in 1911, 14,706 tons in 1912 and 39,650 tons in 1913. Earnings for 1913 showed a surplus of £20,973 after all charges out of which a special dividend of £18,484 was distributed among the preference shareholders.

The combined companies have a present output of 6,500 barrels daily which can be increased greatly. The present refinery of the company has a charging capacity of 1,500 barrels, but a new refinery of 5,000 barrels capacity is now under construction. With the completion of the new refinery the company will be able to supply gasoline, illuminating oil and lubricants along the west coast of South America. The

company has also built up a successful marketing business in fuel oil throughout this territory in which coal has been a scarce commodity.

The company's producing properties are at Negritos and Talara. Recent development of the company's properties have proven up a large acreage and a force of expert drillers has been recruited in Canada to work in the Peruvian fields during 1917. It is possible that sufficient production may be developed to offset the rapidly declining production of lighter oils in California. The surplus crude oil is shipped to the Imperial Oil Company refinery at Vancouver, B. C., and the Standard Oil Company, California, refinery at Richmond, Cal. For this purpose the company owns several large tank steamers and has others under charter. The vessels which it owns are the "Azor," 2,332 tons; "Circassian Prince," 2,258 tons; "Luz Blanca," 4,868 tons; "Mina Brea," 4,145 tons.

The company's refined product is sold through distributing stations at Payta and Callao, in Peru, and Pisagua, Iquique, Tocopilla, Antofagasta, and Taltal, in Chile.

Fear that the earnings of the company would be affected by the intention of the Peruvian Government to levy a heavy export tax on petroleum, was dissipated in November, 1915, when the tax was placed at one shilling a ton.

The company's stock is listed upon the Toronto Stock Exchange.

Directors and Officers—W. H. Hanna, President; G. H. Smith, Vice-President; J. L. Englehart, W. C. Teagle, Sir Edmund Osler, W. Nesbitt; Secretary, H. F. Miller, 63 Bay Street, Toronto, Canada.

Head Office—Dominion Bank Bldg., Toronto, Canada.

Standard Oil Company, Louisiana

Capital, \$10,000,000. Par, \$100. All owned by Standard Oil Company of New Jersey. The capital was \$5,000,000, but on November 21, 1917, the shareholders voted to increase it by a stock dividend.

Incorporated under Louisiana laws to carry on all branches of the mineral oil business.

The company has a modern refinery at tidewater above Baton Rouge, La., and in connection with it an extensive storage and shipping station. The company also owns an extensive pipe line system, and operates a can and casing factory, acid plant and other accessories in connection with its refinery.

Within the past three years, growing importance of the Mid-Continent and Gulf Coast oil fields induced the parent company to enlarge greatly the facilities of the Louisiana company. The original plant represented an investment of \$2,500,000, aside from the pipe lines. Three million five hundred thousand dollars was appropriated in 1914 for extensions and the refinery, through the addition of 42 new stills, now has a charging capacity of 40,000 barrels a day. The Baton Rouge plant, tank farms and deep water loading station cover several hundred acres along the Mississippi River.

Oil for the refinery is carried through the company's pipe line, which connects at the Arkansas border, with the lines of the Prairie Pipe Line Company, through that State, which in turn connect at the Oklahoma border with the Oklahoma Pipe Line, owned by the Standard Oil Company of New Jersey, which traverse the southeastern oil regions of Oklahoma and connect with the Prairie lines running south from Cushing.

The delivery capacity of the Oklahoma and Prairie lines south has been raised by recent extensions to 35,000 barrels a day.

The Louisiana lines consisted originally of an 8-inch trunk line, with gathering lines throughout the Caddo and Red River pools in northern Louisiana. The 8-inch line is now being looped and a new 12-inch trunk line is being laid. As the pipe runs through marshy ground, it is being set in solid cement after being paraffined, in order to prevent deterioration. The company also is doubling the capacity of three of its seven pumping stations. The company's extensive pipe line system is now capable of handling 75,000 barrels a day.

In addition to its great tank farm at Baton Rouge, the company has built thirty tanks of 55,000 barrels capacity each, at Oxford, La., for the storage of Red River oil, which is usable only for fuel and lubrication.

The company also has erected at Trees City, La., in the Caddo field, a plant for the extraction of gasoline from casinghead gas.

At Bridge Junction, Ark., on the west bank of the Mississippi River, opposite Memphis, Tenn., the company has erected a station with storage capacity for 2,500,000 barrels. Refined and fuel oils are delivered to this plant from Baton Rouge in the company's barges.

The company is also among the largest producers of crude oil in the Louisiana fields. It controls extensive acreage in the Caddo and Red River districts and acquired in 1916 \$2,000,000 worth of leases in the new Crichton field, with 4,000 barrels of production.

The company's domestic marketing business is confined to the States of Louisiana, Arkansas and Mississippi, but it also supplies large quantities of refined oils to the Standard Oil Company, Kentucky, and other marketing concerns operating in the Southern and lower Atlantic States.

The bulk of the business, however, is supplying oils for export to the Standard Oil Company of New Jersey.

As the company's stock is owned entirely by Standard Oil Company of New Jersey, no financial statements are issued but the Interstate Commerce Commission's report on the Mid-Continent pipe line systems, showed the growth of the company over a three-year period. Since the last balance sheet given below, the company has expended more than \$5,000,000 in refinery expansion and adding to its producing properties. The following financial statements are illuminating:—

Comparative Balance Sheets as of December 31

Assets:	1911	1912	1913
Refinery	\$2,976,259.77	\$4,895,574.22	\$5,364,819.27
Sales Dept.....	460,728.02	514,142.80	709,889.29
Crude Dept.....	2,721,879.41	3,012,020.90	4,406,608.82
Producing Dept....	6,657,223.93	8,029,129.62	9,298,188.31
Sundry Property....	447,393.95	447,508.58	610,649.64
Inventory	1,921,102.78	2,827,057.84	3,519,794.15
Bills Receivable....	274,909.20	427,123.45	889,431.98
Accounts Receivable.	352,660.69	435,341.20	440,441.98
Cash	101,526.86	170,198.57	62,310.32
Total Assets	\$15,913,684.61	\$20,758,097.18	\$25,302,133.76

Liabilities:	1911	1912	1913
Capital	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00
Standard Oil Co. (N. J.) Loan Account.	9,338,384.91	11,467,479.91	7,902,931.26
Accounts Payable...	543,578.96	557,088.87	773,560.68
Depreciation	1,000,000.00	2,040,106.17	2,485,021.81
Profit and Loss.....	31,302.30	1,693,422.23	9,140,620.01

Total Liabilities..\$15,913,684.61 \$20,758,097.18 \$25,302,133.76

Officers and Directors—President—F. W. Weller.

Vice-President—F. H. Bedford.

Vice-President—P. S. Morris.

Secretary and Treasurer—A. K. Gordon.

Directors—The above and D. R. Weller, C. O. Scholder, A. C. Bedford, J. A. Moffett, Jr. and C. K. Clarke.

Carter Oil Company

Incorporated in Pennsylvania in 1872 by Col. John J. Carter. Was for many years one of the leading producing companies in the Appalachian field and was acquired by Standard Oil Company of New Jersey in 1906.

Capital Stock—\$25,000,000. Par value, \$100. All but directors' qualifying shares are owned by the Standard Oil of New Jersey. The capitalization was increased from \$2,000,000 in October, 1917.

Financial Statement—As the company operates in Kansas, where it has an investment of upwards of \$5,000,000, it has reported on its financial status as of December 31, 1917, showing capital and surplus of \$38,098,605.

The company reported its quick assets as follows:—

Assets	
Oil on Hand.....	\$22,068,647
Accounts Receivable.....	1,720,421
Cash	14,773
Total Current Assets.....	\$23,803,841
Total Capital Assets.....	24,252,345
	\$48,056,186
Liabilities	
Capital Stock	\$25,000,000
Accounts Payable.....	9,957,581
Surplus	13,098,605
	\$48,056,186

The company has many valuable wells throughout Pennsylvania and West Virginia and ranks next in importance to the South Penn Oil Company in that region. In the last three years, it has taken rank among the leading producing organizations in the Mid-Continent fields.

In 1914, through the purchase of the Avelon Oil and Gas Company and the Purvis Turner Oil and Gas Company, both Ohio corporations, for a total outlay of about \$400,000, the company acquired important production in the North Lima fields. During 1916 and 1917, the company took up thousands of acres of leases in the new Kentucky fields and is conducting an extensive development campaign in that State.

For some time, the parent company had foreseen that the principal source of supply for some years to come would be

in Oklahoma, and early in 1914, Col. Carter went to Oklahoma and arranged to take over the producing leases of Thomas Slick, who controlled a large holding of the most promising acreage in the newly developed Cushing pool. As the Slick holdings were largely departmental leases, the Secretary of the Interior refused to sanction the transfer, under the 4,800 acre limitation rule. Secretary Lane's action was based on his assertion that the controlling ownership of the Carter Oil Company and the Prairie Oil and Gas Company were identical.

In February, 1915, Col. Carter again visited Oklahoma and succeeded in acquiring for his company valuable holdings in the Cushing field by taking over from John H. Markham, Jr., the Eliza Yarhola, 160-acre allotment and the Luther Manuel 160-acre allotment, both in the north end of the Cushing field. Ten 55,000 barrel tanks and 900,000 barrels of oil went with the leases. The Eliza Yarhola property is regarded as one of the most remarkable oil properties in the country. The seven producing deep sand wells on the lease maintained a steady average above 15,000 barrels a day for several months. The Luther Manuel lease also was developed into one of the most profitable producing properties in the Cushing field.

In addition to the tankage and oil obtained with its Markham purchase, the Carter Oil Company bought twenty-three 55,000-barrel tanks and contents from the McMan Oil Company; seventeen 55,000-barrel tanks filled and nine building from White and Sinclair, and seventeen 55,000-barrel tanks and contents from the Devonian Oil Company. The company also made several important contracts with Cushing producers for future deliveries at the low price prevailing in March and April, 1915.

Late in September, 1915, the company purchased from the Quaker Oil and Gas Company, a subsidiary of the Pure Oil Company, 3,250,000 barrels of Cushing oil and the tanks containing it at \$1.05 for the oil and the tanks. When crude advanced the Quaker company tried to back out of the sale but after legal proceedings had been instituted, a compromise was made whereby the Carter Oil Company took 31 tanks, containing 1,705,000 barrels, at their price and left the Quaker company retain 29 tanks.

By December 31, 1915, the Carter Oil Company had 20,000,-000 barrels of Cushing oil in storage and a daily production in Oklahoma of 15,000 barrels.

During 1916, the company purchased from the Merritt Oil and Gas Company for \$500,000 its Boynton pool properties, consisting of 720 acres and a one-half interest in 160 acres more, with 900 barrels daily production from 40 wells. The company also purchased for \$800,000 the Skelley & Russell acreage at Healdton and for \$225,000 the P. L. Yoakum production at Jenks, Okla. In December, 1916, the company purchased the Derby Oil Company's properties in the Augusta (Kansas) pool covering 1,400 acres with 1,800 barrels of daily production. The price was around \$2,000,000, bringing its investments for the year in Mid-Continent production up to \$3,500,000.

During 1917, the company purchased for \$1,000,000, a large tract of acreage in the El Dorado pool, Butler County, Kansas, with a production of 3,000 barrels daily. The company acquired an extensive acreage throughout the prolific Butler County fields and at the close of 1917 had a daily production of over 10,000 barrels in Kansas and about as much again in Oklahoma.

To get this oil to tidewater, the Oklahoma Pipe Line has completed a 40-mile extension from the Glenn Pool to the Carter tank farm at Cushing. With this line working the company can ship 15,000 barrels a day to Baton Rouge for transfer by tankships to the Bayonne refineries.

The company has erected near Yale, Okla., a topping plant of 25,000 barrels daily capacity, where it distills the gasoline and kerosene from its crude and ships the distillate to Standard Oil Company of Louisiana. The installation of a \$175,000 casing head gasoline plant at Norfolk will also increase its output of gasoline.

President—A. F. Corwin, Pittsburgh, Pa.

First Vice-Pres.—F. C. Harrington, Sistersville, W. Va.

Second Vice-Pres.—Edgar G. Pew, Tulsa, Okla.

Treasurer and Asst. Secy.—C. B. Ware, Titusville, Pa.

Directors—A. F. Corwin, F. C. Harrington, Edgar G. Pew, A. Clarke Bedford.

Office—Sistersville, W. Va.

The West India Oil Company

This company, which was incorporated originally for \$100,000, increased its capitalization in July, 1915, to \$3,000,000 for the purpose of bringing its capital to a parity with the company's assets.

The company markets the New Jersey Company's products in Cuba, the West Indies and Central America. This brings the Panama Canal within its territory and it has marketing stations both for fuel oil and refined products in the Canal Zone. The company also operates through a subsidiary, the West India Refining Company, a small refinery at Havana, Cuba. Standard Oil Company of New Jersey owns all but the directors' qualifying shares. Officers of the company are F. D. Asche, president, and C. T. White, secretary.

Deutsche-Amerikanische Petr. Gesellschaft

Capitalization—30,000,000 marks (\$7,140,000), of which only 9,000,000 marks is issued in the form of voting shares, the remaining 21,000,000 marks being held in a security known as Genuss-Scheine, which is stock without voting power.

The business of the company is the transporting and marketing of oil. The company owns important storage and marketing stations throughout the German Empire and up to the outbreak of the war operated a fleet of 40 tank ships, most of which have since been sold to Standard Oil Company of New Jersey and transferred to American registry. The company is the dominant factor in the illuminating oil trade throughout Germany, in which it has had only two important rivals, namely, the Deutsche Bank group of companies, headed by the Steaua Romana Company, and Bleichroeder banking group companies, headed by Deutsche Erdöl Aktien Gesellschaft.

Allied with the D. A. P. G. are a group of smaller Germany marketing companies owned by the Standard Oil Company of New Jersey, known as the Mannheim-Bremer Petr. Aktien Gesellschaft (Mannheim-Bremen Petr. Company), the Stettin-Amerikanische Petr. Import Gesellschaft (Stettin-American Petr. Importing Company), the Königsberger-Handels Compagnie (Königsberg Trading Company), and the Amerikanische Petroleum Anlagen Gesellschaft (American Petroleum Depots Company), which is a branch of the American Petroleum Company of Holland.

This company was transferred early in 1917 to a group of German shareholders, headed by Wm. Reidmann, who had long been president of the company.

Romana-Americana Company

Capital—25,000,000 lei (equivalent to francs). In 1913 the capital was increased from 12,500,000 lei by a 100 per cent. stock dividend.

The company owns important producing properties in the principal producing areas of Roumania and also operates a large and modern refinery. The company's product is sold throughout Roumania, the Balkan States and other points in the Near East, as well as throughout Germany and Austria.

The growth of the company's physical operations is set forth as follows:

	1914 (Tons)	1913 (Tons)	1912 (Tons)
Production	420,531	333,228	206,147
Refinery Consumption.....	384,550	301,596	233,050
Refinery Production.....	382,480	299,462	225,737

The company's financial statement for 1914 shows net profits of 9,847,591 lei for the Refinery Department and 5,119,889 lei for the Producing Department, making total net profits of 14,967,480 lei or francs, from which the directors declared a dividend of 40 per cent. or 10,000,000 lei, equivalent to \$2,000,000. The balance carried forward was 4,967,479 lei, which, with the surplus of 304,794 lei remaining after the stock dividend, gave the company a surplus of 5,272,274 lei at the outset of the current year. From 1915 profits a dividend of 25 per cent. was declared.

It appears that in spite of the Balkan wars the company enjoyed a most profitable year in 1913, while the 1914 report states that the yield and export of the company's products had experienced a considerable advance. Business was very remunerative until the outbreak of the general European war and the closing of the Dardanelles, which caused a sudden cessation of the company's activities.

Following the invasion of Roumania by the armies of the Central Powers, the company's properties were destroyed as a measure of military necessity by the representatives of the Allied military powers, and the company has lodged claims for compensation.

American Petroleum Company—Capital 7,850,000 florins (\$3,155,700) is the principal marketing subsidiary in the Netherlands. It also operates in portions of Western Germany and Belgium. It has several subsidiaries. It has a fleet of seven tank ships.

Société pour la vente de perole ci-devant H. Rieth & Cie—(Company for the sale of petroleum, formerly H. Rieth & Company), is the company's principal marketing concern in Belgium and Luxemburg. It has several sub-companies.

Danske Petroleums Aktieselskab—(Danish Petroleum Company) is the marketing subsidiary of the company in Denmark.

Societa Italo-Americana pel Petrolio—(Italian-American Petroleum Company), capital \$1,000,000, is the marketing subsidiary in Italy, where an extensive business is conducted. The company has large storage installations and operates a plant for manufacturing cans. It also operates a fleet of three tank ships.

STANDARD OIL COMPANY (New York)

Incorporated in 1882 under the laws of New York.

Capital Stock—\$75,000,000; par value, \$100. The capital stock was originally \$5,000,000, having been increased to \$7,000,000 in 1892 and to \$15,000,000 in 1903. On June 5, 1913, the stockholders ratified the proposal to increase the capital to 75,000,000 by a 400 per cent. stock dividend, which was distributed on June 30th.

Dividends—Prior to dissolution dividends were reported 70 per cent. in 1903 and 10 per cent. in 1906. Since dissolution dividends have been declared payable as follows:

1918—Jun 15	3%	\$2,250,000	1915—Sep 15	2%	\$1,500,000
Mar 15	3%	2,250,000	Jun 15	2%	1,500,000
1917—Dec 15	3%	2,250,000	Mar 15	2%	1,500,000
Sep 15	3%	2,250,000	1914—Dec 15	2%	1,500,000
Jun 15	3%	2,250,000	Sep 15	2%	1,500,000
Mar 15	2%	1,500,000	Jun 15	2%	1,500,000
1916—Dec 15	2%	1,500,000	Mar 15	2%	1,500,000
Sep 15	2%	1,500,000	1913—Jun 30	400%	Stk. Div.
Jun 15	2%	1,500,000	Jun 16	6%	900,000
Mar 15	2%	1,500,000	1912—Jun 6	6%	900,000
1915—Dec 15	2%	1,500,000	1911—Dec 15	20%	3,000,000
Total Dividends since the dissolution.....					\$35,550,000

Business—Although operating several refineries, the company's principal business has been the marketing of petroleum products in the domestic and foreign trade and in connection with the latter the operation of an extensive fleet. With the acquisition in 1918 of a 45 per cent. interest in the Magnolia Petroleum Company, the company added oil production to its activities and brought its refining output up to a level with its marketing resources.

Properties—The company has extensive and modern refineries located as follows:

New York Harbor; Pratt Works, Brooklyn; Devoe Works, Long Island City; Sone and Fleming Works, Long Island City. Combined capacity, 20,000 barrels daily.

Buffalo, N. Y., Atlas Refinery; daily capacity, 2,000 barrels.

The Pratt Works is the largest wax plant in this country and since the outbreak of the war, additions have been made because of the greatly increased export demand for paraffine products.

The company also operates at Oswego, N. Y., a large factory for making "shooks" for the can and casing department of its own and other companies. In connection with the Devoe Works, a large canning and casing factory is operated. In North Tenth Street, Long Island City, the company has an extensive cooperage and shipping department and a large paint manufactory. An extensive ship building and repair yard is maintained in Long Island City, under the name of the "Empire Yard."

The company has erected at Tientsin, China, a candle factory which is equipped with 32 candle making machines, and has a daily capacity of 400,000 candles.

The company completed before the war a large storage station and distribution plant at the Pireaus, the port of Athens, Greece. A can factory is part of the installation.

The company owns the building at No. 26 Broadway and a \$1,500,000 plot at No. 50 Broadway, running through to New street, on which an Arcade building was erected during 1915. The company also owns other property in New York City and state, and has extensive holdings throughout New England, and also in China.

The main distributing stations for its marketing organizations are at Boston and East Boston, Mass.; Portland and Rockland, Maine; Providence and East Providence, R. I.; Bridgeport, Hartford and Wilson's Point, Conn.; Albany and Buffalo, N. Y. At all these points the company owns real estate.

An adjunct to the company's extensive marketing organization is its fleet of oil-carrying ships and barges. In its financial statement for 1912, marine equipment was carried at \$4,000,000, but during 1913, \$3,000,000 additional was expended for the construction of five new steamships and two barges. The marine transportation business of the company has become so large that it was decided to conduct it under a subsidiary corporation, the Standard Transportation Company, which is described hereinafter.

Recent Acquisitions—In March, 1918, the company announced an acquisition of a 45 per cent. interest in the Magnolia Petroleum Company, one of the largest producing and refining companies in the Mid-Continent and Gulf Coast regions. The Magnolia Company, which had an authorized capital of \$30,000,000 with \$22,000,000 outstanding, increased its authorized capital on January, 1918, to \$60,000,000 and issued 100 per cent. subscription rights at par, thus bringing its outstanding paid up capital to \$44,000,000. The Standard Oil Company of New York purchased enough stocks and "rights" from the John D. Archbold estate and from Henry C. Fogler to bring its holding in the new capitalization up to 45 per cent. Under the by-laws of the Magnolia Petroleum Company any of its stock, held by or for a corporation, is non-voting but participates in dividends and other benefits.

Through its purchase, Standard Oil Company of New York obtains an interest in a daily production of around 45,000 barrels in Texas, Oklahoma and Kansas, a pipe line system running from the Kansas fields to the Gulf Coast, refinery plants at Beaumont, Corsicana and Fort Worth, Texas, with a combined daily capacity of 50,000 barrels.

On December 31, 1917, Magnolia Petroleum Company had net assets of \$82,156,024, compared with net assets of \$29,581,311 at the close of the previous year.

Following the announcement of the company's acquisition of a 45 per cent. interest in the Magnolia Petroleum Company, the Federal Trade Commission lodged a complaint against it alleging a possible violation of the Clayton Act in that the purchase might tend to lessen competition and create a monopoly. The company will answer that as it had no producing properties and insufficient refining facilities to meet its marketing needs, the purpose was solely to round out its organization and place it on a footing with other large oil corporations. The combined companies will control around six per cent. of the refining capacity of the country and about five per cent. of the producing output.

The Standard Oil Company of New York purposes to erect a large plant at East Providence, R. I., for refining crude petroleum and for facilitating the distribution of its products throughout New England Territory. In applying recently for a building permit from the town of East Providence, the company's representative stated that a complete refining plant would be built for the manufacture of gasoline, kerosene and fuel oil and in addition, lubricants, wax products and coke would be produced on a large scale. In addition the company purposes erecting a large can and case factory and a shipyard for building and repairing its vessels. The plans call for the erecting of a 600 foot sea wall of solid concrete masonry, projecting for 500 feet into Narragansett Bay.

These improvements have been undertaken because of the growing importance of the New England market for fuel oil and other petroleum products.

The dissolution found the company entrenched solidly as the paramount selling organization in the wealthiest and most thickly settled portion of the country—its territory embracing New York State and the New England States. Every portion of this territory is easily accessible by economic water routes, is the most intensively developed manufacturing section of the country and represents the highest per capita consumption of gasoline for automobile and motor boat purposes. These conditions are reflected in the company's large marketing profits.

Residents of New York and the New England States are familiar with the company's aggressive sales campaign on "Socony" products. The wisdom of this is apparent from the fact that there are 500,000 motor driven vehicles in this territory, with an average consuming capacity of 1,000,000 gallons of gasoline a day.

In the recent report of the Federal Trade Commission, it was stated that while Standard refineries generally sold 65 per cent. of the gasoline consumed, Standard Oil Company of New York had 70 per cent. of the gasoline sales in its territory.

Since the dissolution, the company has made some experiments in production, mainly in regions adjacent to its great foreign markets. For two years its drilling crews conducted an active development campaign in North China, without achieving success. The company also had valuable concessions in Turkey and Palestine, where development has been interrupted by the war.

The interruption of the company's development project in China has not interfered in anyway with the company's large marketing interests throughout the Chinese Empire, where it is the dominant marketing concern.

Fourteen years ago the company began an aggressive campaign to introduce its products in the Chinese Empire. Rapid progress was made through the introduction of a simple kerosene lamp, given away at first and later sold at cost. By the use of this Mei Foo (Good Luck) lamp, the Chinese silk workers were able to extend their working day, which formerly had been constricted to the daylight hours. Two million of these lamps are now sold annually in China, while the consumption of kerosene has risen from 13,500,000 gallons in 1903 to 120,000,000 gallons annually. Even with this consumption, only the surface of the country's consuming capacity has been scratched as there are 400,000,000 persons to educate up to the use of illuminating oil.

The company has been for some years the dominant oil marketing agency throughout the Orient.

The company's financial statement for 1917 compares as follows:

	1917	1916	Changes
Total Earnings After Operating Expense, Depreciation and Sundry Reserves....	\$39,376,043	\$36,638,494	+\$2,737,549
Less Federal Taxes.....	9,375,371	.....	+ 9,375,371
Dividends	8,250,000	6,000,000	+ 2,250,000
Balance to Surplus..	\$21,750,672	\$30,638,494	—\$8,887,822

Balance Sheet

	1917	1916	Changes
Real Estate, Plant, Vessels, etc.	\$67,279,723	\$61,825,470	+ \$5,472,253
Deferred Assets.....	265,631	297,485	— 31,854
Merchandise Inventory.	61,684,852	64,861,907	— 3,177,055
Cash and Current Assets	60,014,527	41,677,904	+ 18,336,623
U. S. Liberty Bonds....	15,075,000	.....	+ 15,075,000
Total Assets.....	\$204,337,733	\$168,662,766	+ \$35,674,967

Liabilities:

Capital Stock.....	\$75,000,000	\$75,000,000	.....
Surplus	90,386,246	68,635,573	+ \$21,750,673
Reserve for Insurance & Bad Debts.....	3,108,541	2,437,051	+ 671,490
Res. for Federal Taxes.	9,375,372	.....	+ 9,375,372
Current Liabilities.....	26,467,574	22,590,142	+ 3,877,432
Total Liabilities....	\$204,337,733	\$168,662,766	+ \$35,674,967

Earnings after depreciation and sundry reserves were equivalent to \$52.50 a share, from which \$12.50 a share was reserved for Federal Taxes, leaving net earnings of \$40 a share, compared with \$48.85 in 1916 with no deduction for war taxes. The showing is exceedingly creditable in view of the interruption to the company's large Oriental trade through scarcity of shipping and the diversion of the activities of its fleet to Government purposes. Plant investment was increased practically \$5,500,000 after depreciation and working capital expanded from \$83,949,669 to \$100,931,433, of which \$39,246,581 represented net cash assets after reserving \$9,375,372 for Federal taxes. At the close of the previous year net cash assets were \$19,087,762. The book value of the stock increased during the year to \$220.51.

The company's growth in earning power and earning facilities since the dissolution is shown in the following table:

Year	Earnings	Rate	Plant Account	Surplus	Book Value
1917...	*\$39,376,043	52.5%	\$67,297,723	\$90,386,246	\$220.51
1916...	36,638,495	48.8%	65,825,470	68,635,573	191.51
1915...	15,761,663	21.0%	45,811,270	26,463,254	135.28
1914...	7,735,919	10.3%	37,126,607	15,471,958	120.63
1913...	16,212,985	21.6%	40,314,370	†14,252,424	119.00
1912...	15,185,211	10.1%	29,470,698	59,386,338	495.90

*Before deducting \$9,375,371 War Tax.

†After declaring a 400 per cent. stock dividend.

Net assets after reserving War Taxes, were \$165,386,246 on December 31, 1917, compared with \$53,740,359 on December 31, 1911, showing a growth of more than 200 per cent. since the dissolution. The company's volume of earning power has increased proportionally.

The company's conservative dividend policy has resulted in the accumulation of an enormous reserve of cash assets which enabled it to purchase the minority interest in the Magnolia Petroleum Company. If the Federal Trade Commission fails in its endeavor to block the sale, the company's earning power will be still further enhanced. In any event, it is now earning its dividend of 12 per cent. more than three times over and consequently is piling up valuable equities for its shareholders.

Officers—President—H. C. Fogler.
 Vice-President—H. L. Pratt.
 Vice-President—W. R. King.
 Secretary—R. C. Veit.
 Assistant Secretary—A. T. Doremus.
 Treasurer—H. H. Stein.

Directors—H. C. Fogler, H. L. Pratt, W. R. King, R. C. Vert, C. M. Higgins, C. F. Meyer, H. E. Cole, Martin Carey and L. I. Thomas.

Transfer Office—No. 26 Broadway.

Annual Meeting—Last Thursday in May.

STANDARD TRANSPORTATION CO.

Standard Oil Company, New York, announced in July, 1915, the incorporation in Delaware of the Standard Transportation Company; capital \$15,000,000, par \$100, to take over the marine transportation business of the company. In addition to the company's original fleet of nine tankships of 25,469 gross tonnage and eleven coasting tank barges of 26,443 gross tonnage, there were constructed since 1915 eight tankships, of an estimated total of 63,000 tons, four of which are of a special type of 10,250 tons each, built for the Far East service. The "Standard Arrow," the first of this class, was launched May 15, 1916. The "Royal Arrow" was launched in September, 1916, and the "Sylvan Arrow" and "Broad Arrow" were launched during 1917.

The charter of the Standard Transportation Company is a very broad one, permitting the new company to build, purchase, own, equip, navigate and operate ships, boats, barges and tenders; to carry on the business of ship owners, ship brokers and managers of shipping property; to obtain from the Government of the United States or any other government the registry, license or enrollment of ships, vessels and boats and to erect, equip and operate all kinds of works and buildings, control or superintend wharves and warehouses where ships, stores, petroleum or other works are located.

An officer of the company authorizes the statement that the stock of the Standard Transportation Company, excepting as to qualifying shares, will be held by the parent company and not distributed as a stock dividend.

Convenience in transacting business under a distinct corporation and the growing magnitude and importance of the marine transportation activities of the Standard Oil Company, New York, are the reasons stated for the formation of the new corporation.

Lloyd's Register for 1916-1917 gives the following vessels entered under Standard Transportation Company ownership:

Vessel	Gross Tonnage	Vessel	Gross Tonnage
Acme	7,445	Socony	3,664
Astral	8,100	Standard Arrow.....	10,250
Brilliant	2,487	Vesta	3,663
Comet	2,487	Eagle	6,200
Eocene	2,217	Tiger	6,200
Perfection	2,309	Sylvan Arrow.....	10,250
Radiant	2,487	Broad Arrow.....	10,250
Rayo	3,664		
Royal Arrow.....	10,250		91,023
12 Miscellaneous Vessels known as Standard Transportation Company Nos. 57 to 94.....			27,594
Other Miscellaneous Vessels.....			2,385
Total Tons' in Operation.....			121,002

In addition to the above the company operates a large number of tugs and barges in New York Harbor and on inland New England waterways.

The officers of the new corporation are: R. C. Veit, president; H. E. Cole, vice-president; H. H. Stein, secretary and treasurer. The officers are also directors and in addition, O. L. Halenback and G. D. Ale. The company maintains offices at 26 Broadway.

STANDARD OIL COMPANY (Ohio)

The Standard Oil Company of Ohio was incorporated in 1870 under the laws of Ohio. In 1882, the entire capital stock was owned by parties to the trust agreement. The company purchased the properties of the American Lubricating Oil Company in 1888.

Capital Stock—\$7,000,000; par value, \$100. The capital stock was \$3,500,000. On May 25, 1916, the stockholders authorized an increase by a 100 per cent. stock dividend, which was distributed on July 31, 1916.

Dividends—Since the dissolution, dividends have been paid as follows:

1918—Jul 1	4%	\$280,000	1915—Oct 1	6%	\$210,000
Apr 1	4%	280,000	Jul 1	6%	210,000
Jan 1	4%	280,000	Apr 1	6%	210,000
1917—Oct 1	4%	280,000	Jan 1	6%	210,000
Jul 1	4%	280,000	1914—Oct 1	6%	210,000
Apr 1	4%	280,000	Jul 1	6%	210,000
Jan 1	4%	280,000	Apr 1	6%	210,000
1916—Oct 2	3¾%	262,500	1913—Dec 22	5%	175,000
Jul 31	100%	Stk. Div.	Sep 30	5%	175,000
Jul 1	6%	210,000	Jun 19	5%	175,000
Apr 1	6%	210,000	Mar 31	5%	175,000
Jan 1	6%	210,000	1912—Dec 15	5%	175,000

Total Dividends since the Dissolution..... \$5,197,500

Properties—The company owns the Cleveland Refining Works at Cleveland, Ohio. This refinery, on which \$1,000,000 were expended for improvements in 1911, has been doubled in capacity since that time. The company put more than \$2,000,000 into plant extension during 1915 and expended another million dollars during 1917 installing Burton stills in order to increase its gasoline output.

The company controls 60 per cent. of the gasoline business in the State of Ohio, and the demand for this product has increased so far beyond the company's manufacturing capacity that it purchased in 1915, according to the Federal Trade Commission's report, 38,000,000 gallons from Standard of Indiana, and 1,800,000 gallons from Cosden & Company and other Mid-Continent refineries.

The company's refinery capacity for other by-products is 4,500 barrels a day, and its paraffine works are among the best in the country. The company also conducts a marketing business throughout Ohio and since the dissolution has increased its marketing stations from 100 to 350.

The company's financial statement for 1917 compares as follows:

Assets:	1917	1916	Changes
Plant	\$10,722,419	\$8,350,329	+\$2,372,090
Merchandise	5,399,001	2,833,932	+ 2,565,069
Cash	419,002	373,832	+ 45,170
Accounts Receivable and Other Investments....	4,212,418	3,234,112	+ 978,306
Res. for Plant Extensions .....	.....	1,144,626	— 1,144,626
Total Assets.....	\$20,752,842	\$15,936,832	+\$4,816,010
Liabilities:			
Capital Stock.....	\$7,000,000	\$7,000,000	.....
Accounts Payable.....	1,755,745	902,048	+ \$893,697
Depreciation Account....	2,419,728	1,995,394	+ 3,537,978
Surplus	9,577,368	6,039,390	+ 3,537,978
Total Liabilities.....	\$20,752,842	\$15,936,832	+\$4,816,010

Note:—No deduction has been made for Federal taxes payable in 1918. Federal income and excess profits tax for 1917, payable in 1918, is estimated at \$1,427,057.

A comparison of the company's balance sheets, indicates net earnings before taxes for 1917 of \$4,657,970, equal to 66.54 per cent. on its \$7,000,000 capital stock, and, after deducting \$1,427,057 for war taxes, the indicated earnings were at the rate of 46.15 per cent., against 53.6 per cent. in 1916 and about 61 per cent. in 1915 on \$3,500,000 capital stock outstanding in that year. Surplus increased \$3,537,978 during the year, after paying \$1,120,000 in dividends.

Plant account increased \$2,372,000 during the year, after writing off \$424,334 for depreciation. The company's working capital amounted to \$8,274,876 at the close of 1917, compared with \$4,439,829 on December 31, 1916. The book value of the stock was \$216.42 a share on December 31, 1917, after allowing \$20.39 a share for War Taxes.

The company has furnished no balance sheet prior to 1915, but from the Federal Trade Commission's report and the company's announcement of its 1912 surplus for income tax purposes, it is possible to make the following analysis of its development since the dissolution:

Year	Earnings	Rate	Plant	Surplus	Bk. Val.
1917....	*\$4,657,970	66.54%	\$10,722,419	†\$8,150,311	\$216.42
1916....	3,751,936	53.59%	8,350,329	6,039,390	186.28
1915....	2,135,000	\$61.00%	6,163,880	6,749,954	292.85
1912....	.....	.....	.....	4,040,345	215.43

*Before deducting \$1,427,057 war taxes.

†After reserving war taxes. ‡On \$3,500,000 capital.

The table shows the great increase in the company's earning power through its reinvestment of surplus profits in plant expansion. During the three years 1913, 1914 and 1915 surplus increased \$2,709,609, after payment of \$2,380,000 in dividends, indicating total earnings for the three years of \$5,089,609 or average yearly earnings of \$1,696,536 for the period. Compared with 1917 earnings of \$4,657,970 from the operating of expanded plant facilities, the indicated growth in earning power is 175 per cent. Net assets of \$15,150,311 on December 31, 1917, against net assets of \$7,540,345 on December 31, 1912, show that the company's invested capital has doubled in the last five years.

Officers—President—A. P. Coombe.

Vice-President—W. H. Foster.

Treasurer—M. G. Vilas.

Secretary—J. M. Robertson.

Directors—A. P. Coombe, W. H. Foster, M. G. Vilas, C. G. Taplin, and B. A. Matthews.

Transfer Office—East Ohio Gas Bldg., Cleveland, Ohio.

Annual Meeting—Second Monday in February.

SWAN AND FINCH COMPANY

The Swan and Finch Company was incorporated in 1891 under the laws of New York, taking over a business that had been established in 1853.

Capital Stock—The authorized capital stock is \$2,000,000. Par value \$100, of which approximately \$1,450,000 will be outstanding. The original capital of \$100,000 was increased to \$500,000 by a vote of the stockholders on May 7, 1912, and subscription rights were extended the shareholders. On May 1, 1916, the stockholders voted to increase the capital to \$1,000,000 and shareholders again enjoyed the right to subscribe to the new stock at par, pro rata to their holdings. On May 1, 1918, the shareholders again voted to increase the authorized capital to \$2,000,000 and the management announced that subscription rights at par to the extent of 50 per cent. would be extended up to August 1 to stock of record May 15.

Dividends—Since the dissolution, dividends have been paid as follows:

1918—May 1.....	2½ %	\$24,250
1917—November 1.....	2½ %	24,250
1913—March 31.....	5 %	25,000
Total dividends since dissolution..		\$73,500

Properties—The business of the company consists of compounding and marketing lubricating oils, greases, etc., for use in motor vehicles and manufacturing plants. It also controls a large percentage of the fish oil business of the country, and deals in vegetable oils, as well as conducts a large export business in refined petroleum products of various kinds.

The company was among the first to study aeroplane engine lubrication and the resultant product "Aerul" is already an established trade brand. The company has been supplying one of the allied governments' requirements for aeroplane lubricants for a year past.

In announcing the proposed capital increase, President Henry D. Fletcher made the following statement:

"It is a pleasure to be able to report that the operations of your company for the year 1917 were more profitable than for the years 1915 or 1916, and that the sales for 1917 were double those of 1915. It might be interesting to compare the operations for the year 1917 with the results of the last few years. For the year 1913 the company reported a net loss of \$34,557.13 and for the year 1914 a net loss of \$89,635.04. Your present Board of Directors was elected at the annual meeting in February, 1915, and thereafter a thorough reorganization of the company's affairs was undertaken. Progress was made during 1915, with the result that the operations for the year showed a profit of \$27,554.94; in 1916 further progress was made and a profit of \$63,062.29 was the result. It, however, became necessary, because of the increasing business in the fall of 1915, to borrow from the banks, and the indebtedness of this character at the end of 1915 amounted to \$325,000. In the spring of 1916 your officers recommended an increase of \$500,000 in the capital stock of the company, and this increase was subsequently offered to the stockholders of the company at par. In view of the fact that the company had reported

losses in 1913 and 1914, the success of this issue of new stock was somewhat doubtful, and your president, therefore, personally underwrote the new issue of stock without charge. The company decided that it would retain stock of the par value of \$30,000 unissued, for the purpose of future sales to its employees, and the outstanding stock, therefore, at the end of 1916 was \$970,000. Notwithstanding this increase in working capital of \$470,000 and the profit for the year 1916 of over \$60,000, it became necessary again to borrow from the banking institutions, and these loans at the end of 1916 aggregated \$300,000.

"During the year 1917 your managers found it possible to sell the two steamers and the plant purchased by the preceding management for the production of fish oil and fertilizer. This plant had been the source of continuous losses since its purchase, and in addition it would have been necessary to invest at least \$300,000 more in the floating equipment in order to make the operation profitable, even assuming the fishing to be good. It seemed to your present officers that such an additional investment was not to be considered for a moment and they have therefore been attempting for the last three years to sell the entire plant. An opportunity offered in the spring of 1917, and although the sale resulted in a book loss to your company of \$121,919.25, nevertheless, we believe, that the stockholders can congratulate themselves that the company is now rid of this drain on its resources and energies, and that the sale was effected before the opening of the season of 1917, which was more disastrous to Menhaden fisheries in the north than even the unprofitable years immediately preceding.

"During 1917 the net profit from operations was \$203,468.93. Against this was charged the loss of \$121,919.25 on the sale of the fishing plant and steamers. The net profits, therefore, for the year were \$81,549.68. During the year 1917 the increase in cash resources, due to the sale of the fishing plant, and the accumulated profits, aggregated over \$350,000. Notwithstanding this fact it became necessary to again borrow from the banks and the condensed balance sheet, certified under date of March 28, 1918, by our auditors, The Audit Company of New York, shows that on December 31, 1917, your company was indebted on this account to the extent of \$450,000. The reason for these borrowings is indicated by a comparison of the inventories of 1916 and 1917. In the year 1916 the inventory totalled \$1,148,461.44 and in 1917 \$1,586,706.41. The indebtedness to the banks was still further increased in January, 1918, to \$500,000. This matter has received most serious consideration from your Board of Directors, particularly in view of the fact that the prices of merchandise handled by your company are still advancing and the board feels it to be essential that the stock of your company be further increased in order to meet the present and future needs of your company. They therefore recommend that the stock of the company be increased from \$1,000,000 to \$2,000,000. Some time ago application was made to the Capital Issues Committee of the Federal Reserve Board at Washington for leave to issue new stock and after the usual investigation by the Committee, your company received on March 11, 1918, a letter of approval.

"At the present time, therefore, it is planned to issue only \$500,000 of new stock in accordance with the Federal Reserve Board's permission, but the increase to \$2,000,000 is deemed to be essential for the development of the company's business.

"The right to subscribe to the new issue of stock will be given to all holders, both of whole or fractional shares, to the amount of 50 per cent. of their present holdings.

"In view of the present condition of your company, it does not seem necessary that the issue of the new stock be underwritten. The proposed issue of new stock of the company would be used to liquidate such of the present bank loans as are not paid in the usual course of business. The additional capital would also enable the company to make extensions of their business which have been under consideration for some time, and would justify your directors in looking forward, without perturbation, to the increasing cost of raw materials entering into the manufacture of its products.

The net profit for the year 1917 was equal to \$8.40 per share on the outstanding stock, while the operating profit before the loss on plant investment was charged off, amounted to \$20.97 a share for the year 1917. On December 31, 1917, the book value of the stock of the company was \$160 a share and the net cash resources of your company were equivalent to \$152 a share."

Balance Sheet as of December 31, 1917, compares with the previous year as follows:

Assets:	1917	1916	Changes
Plant and Equipment.....	\$154,447	\$502,501	+\$348,054
Syracuse Branch Good Will.	16,379	.....	+ 16,379
Securities Investment.....	6,264	.....	+ 6,264
Cash	131,635	135,096	— 3,461
Accounts Receivable.....	390,126	409,422	— 19,296
Merchandise Inventory.....	1,586,706	1,148,461	+ 438,245
Expenses Paid in Advance..	11,207	.....	+ 11,207
Total Assets.....	\$2,296,765	\$2,195,480	+\$101,285
Liabilities:			
Capital Stock	\$970,000	\$970,000	.....
Notes Payable	450,000	.....	+\$450,000
Accounts Payable.....	170,031	487,135	— 317,104
Estimated Federal Taxes...	14,948	.....	+ 14,948
Reserve for Depreciation....	33,737	208,231	— 174,494
Reserve for Contingencies...	68,962	.....	+ 68,962
Profit and Loss Surplus.....	589,088	530,114	+ 58,974
Total Liabilities.....	\$2,296,765	\$2,195,480	+\$101,285

The company's progress since the dissolution is shown in the following table:

Year	Earnings	Rate	Working Capital	Surplus	Book Value
1917.....	*\$81,549	8.4%	\$1,473,490	\$589,087	\$160.73
1916.....	63,062	6.3%	1,205,845	530,114	154.65
1915.....	27,555	†5.5%	667,541	467,052	†193.41
1914.....	\$89,635	Deficit	646,657	439,497	187.89
1913.....	\$34,557	Deficit	819,315	529,132	205.82
1912.....	50,000	10.0%	1,030,606	588,689	217.73

*After writing off a book loss of \$121,919.

†On capital of \$500,000. ‡Loss.

The company has announced recently, the erection of a storage and marketing station at Providence R. I., to supply its New England business.

The company on February 4, 1916, abandoned its offices and warehouse occupied for many years at Maiden Lane and Front Street, New York City, now maintaining offices at 165 Broadway and a warehouse at 157 Maiden Lane.

Officers—President—Henry Fletcher.

Vice-President and Treasurer—John T. Lee.

Secretary—G. E. Brown.

Transfer Office—No. 165 Broadway, New York City.

Annual Meeting—April 15th.

UNION TANK LINE COMPANY

The Union Tank Line Company was incorporated in 1891 under the laws of New Jersey. At the time of the organization, the company purchased from Standard Oil of Ohio all of its tank cars.

Capital Stock—The capital stock is \$12,000,000. Par value, \$100.

\$7,500,000 5% Equipment Trust Gold Notes, dated August 1, 1917, and maturing in installments of \$1,500,000 semi-annually beginning August 1, 1918. Notes secured by a deed of trust on about 4,750 new standard steel tank cars valued at about \$13,500,000.

Dividends—Since the dissolution, dividends have been paid as follows:

1918—Mar 25	2½ %	\$300,000	1915—Sep 25	2½ %	\$300,000	
1917—Sep 25	2½ %	300,000	Mar 25	2½ %	300,000	
	Mar 25	2½ %	300,000	1914—Sep 25	2½ %	300,000
1916—Sep 25	2½ %	300,000	Mar 25	2½ %	300,000	
	Mar 25	2½ %	300,000			
Total Dividends since the dissolution.....					\$2,700,000	

Properties and Business—The company owns about 18,000 tank cars which it leases to users and handlers of petroleum and its products. At the time of the dissolution the company had 12,000 cars, 4,000 of which were of obsolete type. These the company has disposed of for what the material would bring, as fast as new cars could be manufactured and delivered to it.

The company's orders for equipment in the last five years can be illustrated as follows:

1912.....	1,000 cars	1915.....	1,000 cars
1913.....	No orders	1916.....	4,250 cars
1914.....	2,100 cars	1917.....	2,200 cars

Of the cars ordered during 1916, only 2,000 were delivered, leaving the company 2,850 to be delivered on January 1st, 1918. With the funds provided by the issue of Equipment Trust Notes, the company intends to raise its equipment to 25,000 cars, but is delaying the placing of additional orders owing to the scarcity and high cost of materials.

The present equipment of the company conforms to the rigid specifications of the Interstate Commerce Commission and the Master Car Builders' Association. The cars are of three types, namely, 6,500, 8,000 and 10,000 gallons capacity. Charges for the rental of the company's cars are based on capacities, and, as increased during 1917, are as follows:

Capacity	Initial Charge	Daily Rental
6,500 Gallons.....	\$3.42	\$1.14
8,000 Gallons.....	4.20	1.40
10,000 Gallons.....	5.25	1.75

The shipper pays the company the initial charge and thereafter the daily rental while the car is under load. In addition, the company receives from the railroads, three-quarters of a cent a mile, loaded and empty, for the use of its cars. The railroads in turn receive from the shipper the regular tariff charges for the transportation of oil. An examiner for the Interstate Commerce Commission in May, 1918, recommended that this mileage allowance paid by the railroads be raised from three-quarters of a cent to one cent a mile.

The company's position in the oil industry is shown by the following table:

Tank Car Ownership

	1913	Nov. 1, '15	Feb. 1, '18
Owned by Railroads.....	6,241	11,419	12,217
Union Tank Line.....	13,050	13,778	18,270
Other Oil Companies.....	5,410	19,011	39,027

Union Tank Line Company's financial statement for the year ended December 31, 1917, compares with the previous year as follows:

	1917	1916	Changes
Net Earnings	*\$3,709,516	\$2,081,766	+\$1,627,750
Dividends	600,000	600,000	.....
Surplus for Year.....	\$3,109,516	\$1,481,766	+\$1,627,750
Previous Surplus.....	2,354,262	872,496	+ 1,481,766
Total Surplus.....	\$5,463,778	\$2,354,262	+\$3,109,516

*The Federal Income and Excess Profits Tax to be paid by the company on its 1917 earnings amount to \$859,918.

Comparative Balance Sheets

Assets:	1917	1916	Changes
Tank Car Equipment...	\$23,624,482	\$18,365,132	+ \$5,259,350
Less Depreciation.....	5,584,979	4,878,307	+ 706,672
Balance	\$18,039,504	\$13,486,825	+ \$4,552,679
Real Estate.....	10,395	12,095	- 1,700
Shop Investment	137,417	134,439	+ 2,978
Material	640,795	469,069	+ 171,726
Office Furniture.....	21,022	16,424	+ 4,598
Cash	706,067	42,099	+ 663,968
Accounts Receivable...	1,970,617	598,791	+ 1,371,826
Car Trust Fund.....	6,518,916	.....	+ 6,518,916
Total Assets.....	\$28,044,733	\$14,759,741	+\$13,284,992
Liabilities:			
Capital Stock.....	\$12,000,000	\$12,000,000	.....
Car Trust Notes.....	7,500,000	.....	+ \$7,500,000
Accounts Payable.....	3,080,955	405,479	+ 2,675,476
Surplus	5,463,778	2,354,262	+ 3,109,516
Total Liabilities.....	\$28,044,733	\$14,759,741	+\$13,284,992

Net profits before deduction of Federal taxes amounted to \$3,709,516, equivalent to 30.91 per cent. on the company's capital stock. After deducting war taxes, earnings were equal to 23.74 per cent. compared with 17.34 per cent. in 1916 and 8.89 per cent. in 1915, in which years there were no war taxes. This growth in earning power reflects the company's heavy investment in additional tank cars and replacements to its equipment, and also the advances in rates which were put into effect last year to offset the increasing cost of materials.

Since the dissolution, the company's record of earnings has been as follows:

Year	Earnings	Rate	Book Value
1917.....	*\$3,709,516	30.91%	†\$138.36
1916.....	2,081,766	17.34%	119.61
1915.....	1,067,958	8.89%	107.25
1914.....	687,200	5.72%	103.37
1913.....	1,203,229	10.03%	102.64
1912.....	1,305,772	10.88%	92.62

*Before deducting \$859,918 war taxes.

†After deducting war taxes.

This increase of nearly 200 per cent. in earning power is the result of the heavy additions to equipment the company has been making.

On December 31, 1906, net assets were \$2,645,135, which compares with net assets of \$16,603,860 on December 31, 1917.

Officers—President—Henry E. Felton.

Vice-President—W. A. Barstow.

Vice-President—Edward C. Sicardi.

Treasurer—Elmo L. Gridley.

Secretary—E. F. Cook.

Directors—The above mentioned officers in addition to:

Thomas Beaghen, Jr., and Abram E. Smith.

Main Office—21 West Fortieth Street, New York City.

Transfer Office—Equitable Trust Company.

Annual Meeting—Second Wednesday in February, Jersey City, New Jersey.

VACUUM OIL COMPANY

The Vacuum Oil Company was incorporated in 1866 under the laws of New York.

Capital Stock—\$15,000,000; par value, \$100. The capital was originally \$25,000, but it was increased to \$2,500,000 in 1903, and from that amount to \$15,000,000 on February 29, 1912, by vote of the stockholders at a meeting held on that date. In addition to the capital stock outstanding, there were \$2,000,000 Bonds on Dec. 31, 1911, which have been retired.

Dividends—Since the dissolution dividends have been paid as follows:—

1918—May 15	5%	\$750,000	1914—Oct 31	3%	\$450,000
1917—Oct 29	3%	450,000	May 15	3%	450,000
May 12	5%	750,000	1913—Oct 31	3%	450,000
1916—Oct 31	3%	450,000	May 15	3%	450,000
May 15	5%	750,000	1912—Oct 15	3%	450,000
1915—Oct 30	3%	450,000	Aug 16	3%	450,000
May 15	5%	750,000	Jun 1	500%	Subs. at

Par

Total Dividends since the Dissolution..... \$7,050,000

Properties—The company owns a refinery at Olean, N. Y., producing lubricating and illuminating oils and gasoline, and has recently constructed a \$5,000,000 refining and shipping plant on the Delaware River below Camden, N. J. It also has plants at Rochester, N. Y., and Bayonne, N. J., for the manufacture of high grade lubricating oils; a few pipe lines, and is interested in refineries and lubricating oil works operated by foreign companies in which it has stock ownership.

The new plant of the company at Bramwell Point, near Paulsboro, N. J., which commenced operation during the summer of 1917, covers a plot of 675 acres, with a water frontage on the Delaware River of one and a quarter miles. A concrete bulkhead, 1,200 feet in length, will allow ample docking space for the company's tankships. There are three and one-third miles of railroad tracking on the property and an eight-inch pipe line has been laid under the Delaware River, connecting with the main trunk line of the Eureka Pipe Line Company at Essington, Pa.

The buildings now practically completed are:

Boiler House & Power Plant	Tank and Boiler Shop
Three Still Houses	Machine Shop
Wax Plant	Pipe Shop
Fire Pump Houses	Carpenter Shop
Storehouse	Pattern Storage House

In addition there will be a tank farm for crude oil supplies and the usual rundown tanks and storage tanks for refined oils. The company is also building an acid recovery plant and is installing a new sewage treating plant, so that sewage discharged into the Delaware River will be free from contaminating acids and wastage. During 1917, the company purchased a tank farm at Olean, N. Y., with 66 storage tanks, totaling more than 2,230,000 barrels of steel storage capacity. The tank farms of the company at Olean now cover 424 acres, on which are 95 tanks, making it the largest tank farm east of the Mid-Continent. These storage facilities will enable the company to operate its Olean refinery at capacity at all times.

Marine Department—Owing to the company's extensive export business, and its inability to obtain adequate ocean transportation, it was obliged to operate its own vessels. Accordingly the company purchased a cargo vessel during 1915 and contracted for three additional cargo boats and three tankships. The "Paulsboro," one of the largest tankships afloat, and the "Bramwell Point," the first American commercial motor ship, were added to the company's fleet in 1916.

During 1917, the cargo vessel Olean was placed in commission, the Vacuum was torpedoed and the Rochester, a cargo vessel, was sold. For 1918, the company has an additional tankship and ocean-going barge under construction.

The following vessels are registered under Vacuum Oil Company's ownership:

Vessel	Gross Tonnage
Bramwell Point	3,250
Constable Hook	1,861
Gargoyle	4,433
Paulsboro	6,945
Olean	2,750
Emily S. Baymore.....	256
	<hr/>
	19,495

The company does an extensive export business, and maintains selling organizations in all parts of the world for the purpose of marketing its products. The foreign connections of Vacuum Oil Company are as follows: Vacuum Oil Company, Bombay, for India, Burmah and Ceylon; Vacuum Oil Company, Buenos Ayres, for Argentine and South American; Vacuum Oil Company, Cairo, for Egypt and territory; Vacuum Oil Company, Copenhagen, for Denmark and Norway; Vacuum Oil Company, Helsingfors, for Finland; Vacuum Oil Company, Hong Kong, for Hong Kong, Philippine Islands, Straits Settlements and Dutch East Indies; Vacuum Oil Company, Kobe, for Japan and Korea; Vacuum Oil Company, Lisbon, for Portugal, Canary Islands and Morocco; Vacuum Oil Company, Shanghai, for China and East Siberia; Vacuum Oil Company, R. T., for Austro-Hungary, Greece, Balkan States and Turkey; Vacuum Oil Company of South Africa, Ltd., for all South Africa and Mauritius; Vacuum Oil Company, S. A. I., for Italy; Deutsche Vacuum Oil Company, for Germany; Vacuum Oil Company, Ltd., for England; Vacuum Oil Company, Prop., Ltd., for all Australia and New Zealand; Russian Vacuum Oil Company, Ltd., for Russia and West Siberia; Vacuum Oil Company, S. A. F., for France, Belgium, Holland, Spain, Switzerland and Algiers; Vacuum Oil Company, A. B., for Sweden.

Vacuum Oil Company's financial statement for 1917 compares as follows:—

	1917	1916	1915
Net Profits	\$12,149,677	\$9,386,768	\$6,986,294
Less:—			
Insurance Reserve ...	207,359	164,831	124,381
War Taxes	2,617,922	.....	.....

Bal. for Dividends. \$9,324,396 \$9,221,937 \$6,861,913
 After reserving \$17.45 a share for War Taxes, earnings for 1917 were at the rate of \$62.16 a share, compared with \$61.47 a share in 1916 and \$45.00 in 1915 when there were no war taxes.

Comparative Balance Sheets

Assets:	1917	1916	Change
Real Estate, Plant and Equipm't (Less Dep.)	\$12,776,636	\$10,171,581	+ \$2,605,055
Stocks of Foreign Vacuum Oil Companies.	19,234,821	14,243,325	+ 4,991,496
Other Investments.....	40,881	14,533	+ 26,348
Government Securities (used for guarantee deposits)	15,923	15,923	.....
Mechandise & Material	18,194,883	13,718,262	+ 4,476,421
Accounts Receivable:			
From Foreign Vacuum Oil Companies.....	11,974,389	12,794,691	— 820,302
From Others.....	8,224,936	5,740,211	+ 2,484,725
	\$20,199,325	\$18,534,902	+ \$1,664,423
Cash and Securities....	\$5,703,189	841,619	+ 4,861,570
Total Assets	\$76,165,658	\$57,540,148	+ \$18,625,510
Liabilities:			
Capital Stock	\$15,000,000	\$15,000,000	.....
Accounts Payable:			
Due Foreign Vacuum Oil Companies	8,619,997	3,110,844	+ \$5,509,153
Sundry Accts. & Bills Payable	8,899,449	6,926,803	+ 1,972,646
	\$17,519,446	\$10,037,647	+ \$7,481,799
Branch Office Reserves.	194,034	.....	+ 194,034
Insurance Reserve.....	699,316	491,958	+ 207,358
Income Tax and Excess Profits Reserve	2,617,923	.....	+ 2,617,923
Surplus.	40,134,939	32,010,543	+ 8,124,396
Total Liabilities..	\$76,165,858	\$57,540,148	+ \$18,625,510

The company's official statement accompanying its balance sheet is as follows:—

"After charging off \$207,358.92 for Insurance Reserve, and setting aside \$2,617,922.37 for Income and Excess Profit taxes, the profits for the year amount to \$9,324,396.31.

"The new refinery on the Delaware River, near Paulsboro, N. J., construction of which was begun in 1916, was practically completed during the year, the total cost, including some unfinished items being approximately \$5,500,000. The first crude was run in June, and by the end of the year reasonably full operation was possible, and the plant is now a productive factor in the company's operations.

"During the year the S.S. "Olean," a substantial cargo vessel, was completed and added to the company's fleet. The cargo vessel "Vacuum" was lost from torpedo attack, and the cargo vessel "Rochester" sold. At present the company has in course of construction an additional tank steamer and an ocean-going barge.

"Outlay for new construction, added to the high cost of stocks, material and operation, excessive ocean freights and other unavoidable cash demands, have made it advisable to conserve earnings so that the company's progress could continue unhampered."

Owing to the necessity of setting aside \$2,617,922 for War Taxes, the company's working capital shows only a slight increase during the year. The book value of the stock increased, however, to \$367.56 a share.

The company's development since the dissolution, is shown as follows:—

	Net Profits	Rate	Plant Investment	Surplus	Book Value
1917..	*\$11,942,318	79.61%	\$12,776,636	†\$40,134,939	\$367.56
1916..	9,221,937	61.47%	10,171,581	32,010,543	313.40
1915..	6,861,913	45.60%	4,816,904	23,988,606	259.99
1914..	†2,075,644	13.17%	4,139,791	18,326,693	222.17
1913..	4,832,929	32.32%	3,501,108	17,151,049	214.07
1912..	4,159,006	27.72%	3,138,907	14,675,275	191.16
1911..	2,938,036	‡117.5 %	2,106,554	‡11,981,113	179.20

*Before deducting \$2,611,111 for War Taxes. Surplus and Book Value stated as after deducting War Taxes.

†Does not include earnings of foreign Vacuum Oil Companies. ‡On capitalization of \$2,500,000.

The result of the company's modest dividend policy is reflected in the continuous growth of its Plant Account and Net Investment. In the past six years plant and equipment have increased by \$10,670,082 after depreciation, while net assets have grown \$40,653,826, an average of \$6,775,672 or 45 per cent. on the outstanding capital yearly.

Officers—President—Edward Prizer.

Vice-President—George P. Whaley.

Vice-President—Charles E. Bedford.

Secretary—Wendell M. Smith.

Assistant Secretary—Charles E. Arnott.

Treasurer and Asst. Secretary—Herbert Baker

Directors—Walter M. McGee, R. W. Everest, Edward Prizer, George P. Whaley, Charles E. Bedford, Charles E. Arnott, Charles E. Moser and Herbert Baker.

Main Office—61 Broadway, New York.

Transfer Office—Room 617, No. 61 Broadway, New York.

Annual Meeting—Last week in February.

WASHINGTON OIL COMPANY

The Washington Oil Company was incorporated in 1887, under the laws of Pennsylvania

Capital Stock—The capital stock is \$100,000. Par value \$10.

Dividends—Since the dissolution, dividends have been paid as follows:

1917—Dec 20	40%	\$40,000	1914—Dec 31	30%	\$30,000
1916—Dec 20	40%	40,000	1913—Dec 1	40%	40,000
1915—No Dividends			Feb 20	40%	40,000
Total Dividends since the dissolution.....					\$190,000

Properties—This is a crude oil producing company operating in one of the old Pennsylvania oil fields. At the close of 1913, the company had 4,897 acres of leaseholds, 350 acres oil rights, 250 acres land in fee, 1 acre on royalty, 146 oil wells and 2 gas wells. The company also owns an interest in the Taylorstown Natural Gas Company.

The financial statement of the company for 1917 compares with the previous year as follows:

	1917	1916	Change
Net Profits	\$52,384	\$32,985	+\$19,399
Dividends	40,000	40,000	.....
Balance to Surplus.....	\$12,384	*\$7,015	+\$19,399

Balance Sheet as of December 31

Assets:	1917	1916	Change
Producing Plant	\$69,501	\$73,772	—\$4,271
Stock in Other Companies.....	19,550	18,186	+ 1,364
Material and Merchandise.....	39,334	29,132	+10,202
Cash	30,712	25,798	+ 4,914
Account Receivable	2,228	206	+ 2,022
Total Assets	\$161,325	\$147,094	+14,231

Liabilities:

Capital Stock	\$100,000	\$100,000	.....
Accounts Payable	3,079	1,232	+ \$1,847
Surplus	58,246	45,862	+ 12,384
Total Liabilities.....	\$161,325	\$147,094	+14,231

Net profits at the close of 1917 were equal to 52.38% on the \$100,000 capital stock outstanding compared with 32.98% in 1916. Book value at the close of 1917 was \$15.82 a share compared with \$14.59 a share December 31, 1916.

Officers—President—J. I. Buchanan.

Vice-President—Douglas Buchanan.

Secretary and Treasurer—J. C. Burford.

Directors—The above-mentioned officers and in addition:

George L. Craig, D. Gregg McGee, M. D. Shields,
G. C. Jolly.

Transfer Office—323 Fourth Avenue, Pittsburgh, Pa

Annual Meeting—Wednesday following first Tuesday in April.

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